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# FINANCIAL TIMES

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## WORLD NEWS

### Ray of hope for Howe from Machel

Sir Geoffrey Howe's South African peace initiative received a first cautious encouragement yesterday from Mozambique's President Samora Machel. The Foreign Secretary, who has met criticism for rejection from South Africa and elsewhere, was told Mr Machel might help as a mediator and indirectly assist efforts to encourage dialogue. (Back Page; See also Page 2)

### Killer, 12, sentenced

Billy Waugh, 12, was ordered detained during Her Majesty's pleasure at Newcastle upon Tyne for murdering a crippled widow after she refused to give him a penny for a guy. His companion, Ashley King, 22, was jailed for life.

### Queen to knight Goldof

The Queen will break with tradition to give famine-aid organiser Bob Goldof a knighthood. Usually, non-Britons receive medals and honours from the Foreign Secretary.

### Newspapers gagged

The Guardian and Observer were banned in the High Court from publishing information about MI5 contained in a book by former officer Peter Wright. Security service members cannot be allowed to write their memoirs, said the judge.

### Inquiry chief quits

Prof John Caldwell resigned as head of a government inquiry into warship design after claims that, as a non-executive director of British Shipbuilders, he was open to bias.

### Loyalists on march

Northern Ireland loyalists held their traditional July 12 marches today, made more significant this year by the eight-month conflict over the Anglo-Irish agreement. (Page 4)

### Italy's crisis grows

Italy could face early elections after the Socialist Party refused to take part in attempts to form a coalition government. (Back Page)

### Peres warns Syria

Premier Shimon Peres warned Syria that Israel would take action if it found the Assad regime was backing terrorist activity against it. (Page 2)

### Argentina strike off

Argentina's trade union confederation called off a general strike planned for this month, after important pay settlements this week. (Page 2)

### Dutch government hopes

Acting Dutch Premier Ruud Lubbers is expected to form a centre-right government by Monday, after eight weeks of negotiations. (Page 3)

### Homelessness rising

Homelessness in England is rising, with councils accepting responsibility for 25,220 households in the first quarter, against 22,110 a year ago, government figures show.

### Horse's head attack

Newcastle upon Tyne police were investigating an attack in which a severed horse's head was thrown through the front door of Tory councillor Ken Barnes.

### Vested interest

Lela Fashions of Newark, Notts, said it had sold over 30,000 royal wedding T-shirts—banned by Buckingham Palace—creating five jobs and making £140,000 profit.

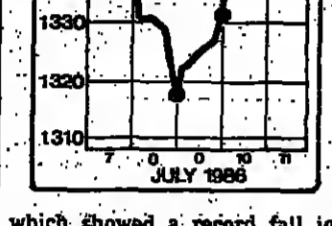
## BUSINESS SUMMARY

### City bill changes planned

THE GOVERNMENT is to make changes to the Financial Services Bill during its passage through the Lords which will exclude transactions between commercially-related companies from its scope. This emerged at Westminster as the Bill received an unopposed Second Reading in the Lords. (Page 4)

### EQUITY trading allowed

London after an evening week. The FT Ordinary Share Index.



which showed a record fall in points terms of 30.1 on Tuesday, ended 3.3 down yesterday at 1,337.3. Over the week it shed 19.2. (Page 1)

### PROPERTY Holding & Investment Trust rejected a £11m takeover bid from Greycroft Crup. (Back Page)

### ENVIRONMENT Department criticised by the Commons Public Accounts Committee for failing to manage spending on Enterprise Zones. (Back Page)

### BUILDING SOCIETIES' average liquidity level fell to its lowest since spring 1984, with £20m drawn from funds to meet mortgages. (Page 4)

### BUNZL, paper and plastics group, has bought six companies for up to \$55.5m. (Page 5)

### INTEL, US semiconductor manufacturer, lost \$20m (£13.2m) net in the second quarter, its fourth consecutive quarterly deficit. (Page 9)

### PERSEUS has hired raunchy singer Tina Turner for a worldwide advertising campaign. (Page 3)

### CAR and commercial vehicle production in the UK dropped sharply in the first half of this year, the Department of Trade said. (Page 4)

### HOLIDAYS: UK's top seven overseas package tour operators are handling 66.2 per cent of the market, says Exchange Travel. (Page 4)

### GEORVOR tin mine in Cornwall has had another application for government aid turned down. (Page 3)

### UNION of Democratic Mineworkers will boycott talks with the National Coal Board along with three unions including the National Union of Mineworkers. (Page 5)

### AUSTRALIA's current account deficit in the year 1985-86 reached \$41.3bn (£5.9bn), up 34 per cent on 1984-85. (Page 3)

### FRENCH commercial paper market showed outstanding issues of FF 25.3bn (£2.9bn) last week, well above expectations. (Page 9)

### MATTHEW OAKESHOTT, former manager of the £50m Courtauld pension fund, will take over and restructure Stewart Enterprise Investment Company of Scotland. (Page 8)

## Investors act to block Lloyds' bid for Standard Chartered

BY DAVID LASCELLES, BANKING CORRESPONDENT

LLOYDS BANK'S £1.3bn bid for Standard Chartered Bank seemed close to failure last night after investors friendly to Standard used the last full day to buy heavily into its shares and build up a large blocking position. The offer closes at 1pm today. At the end of another dramatic trading session on the Stock Exchange, Standard's backers appeared to have secured at least 30 per cent of the vote. These included Mr Robert Holmes a Court, the Australian businessman and long-time associate of the Standard Bank, who disclosed a 7.4 per cent holding through two of his Bell Group companies. Sir Yue-Kong Pao, the Hong Kong shipping magnate, bought more shares yesterday to increase his stake from 10 per cent to nearly 15 per cent. Other Standard allies are Tan Sri Khoo of Malaysia who holds 5 per cent and several smaller Far Eastern and South African investors.

Several big corporate customers of the Standard Bank were also rumoured to have come to its aid, although this could not be confirmed. If this last-minute rush gives Standard enough support to fend off Lloyds, it could prove a pyrrhic victory. It was widely believed in the City yesterday that Standard's new shareholders would seek the dismemberment of the group to recoup their investments. Most of them bought their shares at well over 800p compared to the 775p at which Standard closed unchanged last night, and the lower level to which the price was expected to fall if the bid fails. Lloyds valued its bid at about 870p a share.

Standard has based its defence largely on the claim that many components of its global business add up to a much greater sum than Lloyds is offering. It has said it might float off parts of the group on local stock exchanges in the Far East and America. A failed bid would hasten that process. "Whatever happens, Standard Chartered will prosper be the same," said a bank stock analyst who said that Standard would pay a high price for its friends' support.

Sir Y. K. Pao is estimated to have spent £180m building up his stake to 14.9 per cent. This is the most anyone may own of a UK bank without being deemed to have a controlling interest under the Banking Act. Sir Y. K. is understood to have notified the Bank of England, which was observing developments closely yesterday, of his share purchases.

The Federal Reserve Bank was also watching from the US, where Standard Chartered owns one of the largest banks in the country, Lloyds is prevented by US law from buying more than 5 per cent of Standard at this stage.

## Leading US banks cut prime lending rates to 8%

BY PAUL TAYLOR IN NEW YORK AND IAN RODGER IN TOKYO

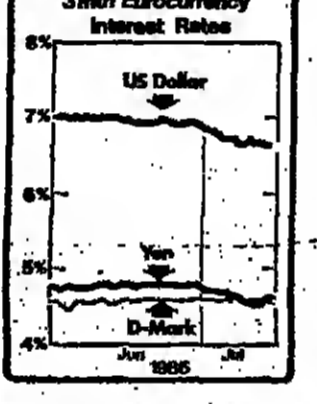
LEADING US banks yesterday cut their prime lending rates by 1 percentage point to 8 per cent—the lowest level for the benchmark corporate lending rate in eight-and-a-half years. The prime cuts came in the wake of the US Federal Reserve Board's decision to cut its discount rate by 3 percentage points to 6 per cent, a move described by the White House as "sobering" but which drew a "strong" response on Wall Street where the usual rally following a discount rate cut failed to materialise.

The US move was not followed by cuts in official rates in other countries. European government and central bank officials were unimpressed by the Fed's hint that they should follow its example.

The West German Bundesbank indicated it planned no early cut in its discount rate of 3 1/2 per cent. Japanese officials also said they saw no immediate need for a cut.

Financial markets generally took the Fed's move calmly and the dollar strengthened on foreign exchanges to the surprise of some observers. Dealers said speculators had had to cover short positions and they expected further weakness in the US currency next week.

US investors reacted cautiously to the discount rate cut which had been predicted for some time because of the "tagging" US economy. The timing of the Fed's move, however—without matching moves by Japan and West Germany



cut which he said was "in line with Treasury Bill rates." Yesterday's report that US producer prices were virtually unchanged in June was "good news for all Americans," he said. The absence of higher interest rates would make lower interest rates possible "and that in turn leads to sustained growth."

In Japan, Mr Michio Watanabe, International Trade and Industry Minister, said he feared that a widening gap between yen and dollar interest rates would cause a further rise in the yen, to the detriment of Japanese exporters.

Perhaps with an eye to a future US discount rate cut, he said Japan should reduce its rate at the same time and by the same amount as the US.

Tokyo share prices rose sharply as dealers anticipated a discount rate cut and the Nikkei market average rose on the day by 200.95 to 17,678.77.

The US move to lower prime rates was led by Chemical Bank New York, the sixth largest US banking group, which followed by other leading banks including Morgan Guaranty, Bankers Trust, First Chicago and Citibank.

The prime cut is the third since the start of the year when the key lending rate stood at 9.5 per cent and reflects the Continued on Back Page Bundesbank plans no cut. (Page 2)

A signal to the world and editorial comment, Page 6

## R-R nears pact on \$2.1bn to back BA order

BY LIONEL BARBER AND PETER MONTAGNON

ROLLS-ROYCE, the state-owned UK aero-engine manufacturer, is close to completing a \$2.1bn (£1.4bn) fund-raising exercise in its effort to supply British Airways with engines for BA's planned purchase of a new fleet of Boeing jumbo jets.

Rolls expects the complex financing package to be underwritten early next week with the agreement of a consortium of international banks.

BA is also in talks with two US aero-engine manufacturers, General Electric and Pratt & Whitney, and has told all three interested parties to submit their final offers by next Friday.

Whether BA buys British or US is politically sensitive. The Government hopes to privatise Rolls-Royce through an offer for sale early next year. Failure to win the BA engine order—worth between £300m and £500m—could damage prospects of a successful flotation.

But the Government also hopes to privatise BA and any interference by ministers in the state-owned airline's decision would arouse controversy, even if BA opted to buy US rather than British.

Rolls is trying to put forward a financing package to match an earlier proposal by GE's sister company, the General Electric Credit Corporation.

Under the Rolls deal—one of the largest aircraft financing exercises seen in the City—the state-owned aero-engine maker will not borrow any money. Instead, a syndicate of international banks will provide a \$2.1bn revolving credit facility for BA which will finance the purchase of 16 Boeing 747-400 aircraft.

The credit facility will be secured on the ownership of

## WEEKEND FT



**EXILES**  
 Fifty years after the Spanish Civil War began, the hell still tolls for some veterans. (Page 1)



**PENSIONS**  
 New rules will give employees the right to much more detail about their company schemes. (Page 5)



**FINE ARTS**  
 The finest group of sculptures in hearts comes up at Christie's next Tuesday. (Page VII)



**SPORT**  
 The Commonwealth Games under pressure—plus a report on the Tour de France. (Page XVI)

## Inflation rate falls again

BY GEORGE GRAHAM

BRITAIN'S RATE of inflation fell in June for the sixth successive month dropping to the lowest level since 1967. A cut in mortgage rates took the Retail Price Index down by 0.1 per cent in June and lowered the annual rate to 2.5 per cent. Lord Young, Secretary of State for Employment, said the figures were "the best news of the summer," but the rate was still not low enough. He called on employers and employees to agree lower pay settlements.

Without the help of the mortgage rate cut, however, the inflation rate edged up last month. Separate figures from the Treasury showed the rate rose to 3.3 per cent from 3.1 per cent the previous month.

Petrol prices rose last month by 3.1p, but are still 40.6p lower than a year ago. In spite of the recent renewed slide in oil prices, the inflation rate is not expected to receive as much help from this quarter in coming months as it had until May.

In Whitehall, however, officials say that even if the underlying inflation rate proves to be closer to 3 per cent, this is still far lower than the underlying rate of increase in earnings, which has been running at 7 1/2 per cent for nearly two years.

Continued on Back Page  
 BT prices, Back Page

## Tebbit woos expatriate voters

BY PETER RIDDELL, POLITICAL EDITOR

MORE THAN 100,000 British citizens living abroad have been sent a letter from Mr Norman Tebbit, the Conservative Party chairman, urging them to register for a vote in their home UK constituencies.

This unprecedented drive is regarded by Conservative leaders as being so important that the organisation of postal votes within Britain.

Under regulations which came into force yesterday British citizens who reside abroad who have lived in the UK within the last five years can now register as overseas electors.

This process involves making declarations by October 18 each year, the first time witnessed by a consular official, allowing people to be registered in the constituency where they were eligible to vote before they went abroad. They will be allowed to vote by proxy at any parliamentary election or European Parliament election.

Roughly 500,000 people may be enfranchised in this way but, unlike the compulsory registration in the UK, overseas registration is voluntary. This is also the case in the US, for example, which puts the onus on party organisation to encourage voters in use their proxies.

The Conservative Party has far far identified 110,000 British citizens living overseas. It has set up a body, Conservative Abroad, under the presidency of Lord Home, former Prime Minister, to encourage registration and voting.

A total of 23 local branches have been established in countries ranging from Costa Rica to New Zealand. The biggest branches are in the EEC, though there is potential to win large numbers of votes in Saudi Arabia and the Gulf where 30,000 British citizens live.

Conservative MPs going abroad during the summer are being urged to contact party supporters.

It is at present impossible to say what the political impact of the proxy voting will be, or how many people will register. The Conservative drive is partly modelled on the work of Republicans Abroad, a US Republican Party group, though less than a fifth of US citizens living abroad register.

A Labour Party spokesman said yesterday it was also taking the changes seriously. It was organising to contact known sympathisers and British communities to provide information and documents.

An official of the Social Democratic Party said it would organise a limited operation. The SDP has groups of local supporters in Brussels, Luxembourg, Paris and New York.

In his letter, Mr Tebbit says Conservatives Abroad will provide a two-way exchange of views and information between expatriates and the party through a regular newsletter.

### MARKETS

DOLLAR	
New York lunchtime:	
DM 2.19425	
FF 7.0480	
SFr 1.7855	
Y161.65	
London:	
DM 2.188 (2.1745)	
FF 7.0225 (6.9775)	
SFr 1.788 (1.7775)	
Y161.36 (160.95)	
Dollar index 112.9 (112.7)	
TUJO close Y160.9	
US LUNCHTIME RATES	
Fed Funds 6 1/2%	
3-month Treasury Bills:	
yield: 5.77%	
Long Bonds 8 1/2%	
yield: 7.19%	
GOLD	
New York: Comex August latest:	
\$348.4	
London: \$348 (\$347.75)	
Chief price changes yesterday. (Back Page)	

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OVERSEAS NEWS

Ten suspected insurgents die in S Africa

BY BERNARD SIMON IN JOHANNESBURG

TEN SUSPECTED African National Congress (ANC) insurgents were killed in five separate incidents...

A United Nations conference on Namibia ended yesterday with an appeal to the US and Britain to stop blocking mandatory economic sanctions against South Africa...

In addition, the police have imposed new curbs on five districts of Kwazulu in northern Natal...

The document, which includes provisions for the protection of minority groups, freedom of movement and racial equality in education...

Several business organisations have signalled a hardening of attitude towards workers' political protests...

Alan Friedman on the career of Giulio Andreotti as he seeks to form a government Italy's great fixer returns to the fray

MR GIULIO ANDREOTTI, the 67-year-old Christian Democrat who was asked by President Francesco Cossiga on Thursday night to try to end Italy's two-week-old political crisis...



Mr Andreotti (right) with the man he is trying to succeed as Prime Minister, Mr Bettino Craxi

managed to emerge unscathed from allegations of misconduct in many of the great post-war scandals...

Perhaps the best single description of Andreotti's career was contained in a front-

page portrait written by Mr Indro Montanelli, editor of the Milan-based Il Giornale newspaper...

He (Andreotti) is a political animal with highly sophisticated radar, with a clear head, cold blood, nerves of steel and the velvet touch...

sentiment or resentment, free of ideology and thus a man more of power than of statesmanship...

Paradise and hell notwithstanding, Mr Andreotti now faces one of the most difficult challenges even of his colourful and varied career...

Yesterday the Socialists responded to the Andreotti mandate like raging bulls before a red flag...

His credentials - notwithstanding the many controversies surrounding him - are impeccable...

peril, the Christian Democrat prime minister who dominated the early years of the modern Italian republic...

In recent years he has been sharply criticised for his close ties with the Libyan leader Muammar Ghaddafi...

All criticisms tend magically to deflect from the hunched and bespectacled figure of Giulio Andreotti, the man once again at the centre of Italian attention...

Peres warns Damascus over terrorism

PRIME MINISTER Shimon Peres yesterday warned Syria that Israel would take action if it were proven that the Assad regime was providing backing for terrorist activity...

The warning followed Wednesday night failed attempts by a guerrilla squad belonging to the Syrian-backed Popular Front for the Liberation of Palestine to infiltrate Israel...

Both the Israeli Prime Minister and Mr Yitzhak Rabin, the Defence Minister, appeared crucial yesterday not to raise the temperature unduly...

French inflation falls France's inflation rate fell to 2.3 per cent at the end of June...

US-Spain base accord THE US has agreed to substitute 10 per cent of its military personnel for Spanish civilian personnel...

Chile dissidents held Fourteen dissident Chilean leaders were arrested Thursday, accused by the military government of breaching state security laws...

Greek credit doubts Credit expansion to the Greek public had privatised sector rates much higher than targeted...

For the Chinese dealing with foreigners has not been easy, reports Robert Thomson from Peking

Lubbers set to form right of centre government

BY LAURA RAUN IN AMSTERDAM

A NEW Centre-right Dutch Government is to be formed on Monday, ending eight weeks of coalition negotiations...

Other Cabinet members likely to keep their posts include Mr Jan de Koning, Labour Minister, and mediator of the coalition negotiations...

US wholesale prices down 6.5% in first half

BY NANCY DUNNE IN WASHINGTON

US wholesale prices were flat in June and finished the first half of the year 6.5 per cent lower, at an annual rate...

The White House, after a string of disappointing indicators giving no sign of a second-half economic pick-up...

General strike called off in Argentina

Tim Coone in Managua

ARGENTINA'S powerful trade union confederation, the CGT, has called off a general strike originally planned for the end of July...

The decision, made by the CGT leadership on Thursday night, will give a few months of breathing space to the Alfonsín government...

Larger pay increases, some exceeding 40 per cent, have been authorised for the powerful metal workers' construction workers' teachers' and state employees unions...

The Reagan Administration's economic policies have succeeded in keeping prices low, said Mr Larry Speakes, the President's spokesman...

Bundesbank plans no early reduction in discount rate

BY JONATHAN CARR IN FRANKFURT

THE West German Bundesbank plans no early reduction in its 3.5 per cent discount rate...

Central bank officials here stressed that all the arguments against a discount rate cut advanced at a press conference last week by Mr Karl Otto Poehl, the Bundesbank president...

The officials indicated that next Thursday's meeting of the Bundesbank's policy-making council was expected to be routine...

The so-called "butter for cows" plan - which involves only stocks which are more than two years old and which are thus considered unsuitable for human consumption...

Cautious nod for EEC's 'butter for cows' plan

BY TIM DICKSON IN BRUSSELS

A EUROPEAN COMMISSION plan to sell off surplus stocks of ageing butter for animal feed won the cautious approval yesterday of EEC member states...

But a separate scheme to offer cheap supplies from the record 1.5m tonne butter mountain to Europe's unemployed and others on social security...

The proposal has been on the table for some time and if adopted would represent a significant extension of existing schemes to distribute cheap supplies...

China looks both up and down at the Big Noses

A FEW MINUTES before the train from the wilds of China's west pulled into Peking station, deadening patriotic music heralded a recorded message...

hotties. According to the official news agency, Xinhua, "the two sides got excited and clashed" because of a "misunderstanding."

secret, other than recipes, he could have passed, remains a matter for the imagination.

Foreigners are referred to colloquially as "big noses" or "old foreigners" and despite recorded messages in trains they are still stared at...

Canton are stuck in the "superior being" stage, and are prone to worship foreigners for the opportunities they seem to provide for individual experience...

Chinese with relatives overseas, once considered a sure sign of a spy, that they should not feel uncomfortable about contact with them.

About 16 of the visiting students fled to Peking, where they complained to their respective embassies of racist treatment...

A few days later, a Moroccan student cycling with his Japanese girlfriend in Chenghai was struck by four Chinese youths...

These violent incidents are notable for being abnormal, but romance between foreigners and Chinese does provide a good example of the difficulties ushered in through the "open door."

China has gained much by admitting that foreign help is necessary to modernise the country, yet many Chinese believe the party's foreigner fascination is a passing fancy...

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China has gained much by admitting that foreign help is necessary to modernise the country, yet many Chinese believe the party's foreigner fascination is a passing fancy...

'Old Soldiers Never Die...' but as they fade away they so often need our help. TO: THE ARMY BENEVOLENT FUND DEPT FF, 41 QUEEN'S GATE, LONDON SW7 5HR

THE FINANCIAL TIMES is proposing to publish a Survey on The World Economy on Thursday September 18 1986

Advice for Peking train passengers: "Don't spit and don't stare at foreigners". Canton are stuck in the "superior being" stage, and are prone to worship foreigners for the opportunities they seem to provide for individual experience...

Handwritten Arabic script at the bottom of the page.

Handwritten note: *Handwritten text*

# OVERSEAS NEWS

## N-arms high on agenda, Patrick Cockburn reports Shevardnadze London trip marks foreign policy shift

THE CENTRAL theme of the visit of Mr. Eduard Shevardnadze, the Soviet Foreign Minister, to Britain tomorrow is that it comes as Moscow waits for President Reagan's speech on the Soviet arms program, which says the USSR will attend a summit between the leaders of the super powers.



Mr. Shevardnadze: persuade UK to use influence

The US response will be a watershed in US-Soviet relations. Mr. Mikhail Gorbachev, the Soviet leader, has said he will not attend a summit in Washington unless there is a substantive agreement on some measure of nuclear arms control. Diplomats in Moscow do not believe he will shift from this position.

Mr. Shevardnadze will therefore want to persuade Britain to use any influence it has in Washington to encourage a favourable response to Mr. Gorbachev's arms proposals of June 11. He will also want to find out as much as possible about what this response is likely to be.

Although the Soviet Foreign Ministry recently said that it wanted a meeting between Mr. Shevardnadze and the US Secretary of State, there is still no sign of the two men meeting before September. This means that the British will be interested in seeing what part of Mr. Gorbachev's disarmament proposals he has negotiated separately in Moscow.

Even then the time needed for negotiations means that the summit might be pushed into the first half of 1987 rather than the end of this year.

Mr. Shevardnadze's visit also marks a return of British-Soviet relations to normality. Never warmer during Mrs. Margaret Thatcher's first administration, these improved following the visit to Britain by Mr. Mikhail Gorbachev at the end of 1984 a few months before he took over the Soviet leadership. Mrs. Thatcher praised him as "a man you can do business with."

The warmth did not persist. Five Soviet officials were expelled from London for espionage in April and another 31 in September. Moscow responded by expelling diplomats and journalists from Moscow. A visit to Britain by Mr. Andrei Gromyko, just before he was promoted President after 28 years as Foreign Minister, was postponed as a result of the first incident.

The strength of the Soviet response to the second round of expulsions was clearly surprised Downing Street, also demonstrated a change in the way the Soviet Union responds to the outside world. The new men at the top in the Kremlin are more outgoing, confident and less inhibited by a siege mentality than their predecessors. They also expect visible equality with the US and react strongly when they feel this is denied them.

Relations between London and Moscow had largely returned to normal by the beginning of this year. There were a series of high level visits. Lord Whitlaw and Mr. Denis Healey had long talks with both Mr. Gorbachev and Mr. Gromyko six weeks ago. This in turn is part of a warmer and more subtle approach to

Western Europe which has been evident since Mr. Gorbachev's visit to Paris last year.

The Soviet approach today is to strengthen links with the West European states, see what influence they can exert on Washington but not to be seen to be driving wedges into the Atlantic Alliance. The installation of cruise and Pershing II missiles in Western Europe in 1983—and the return of Conservative governments in West Germany and Britain in the same year—showed the degree to which such wedge-driving can be counterproductive from the Soviet point of view.

The vigour with which Moscow is now cultivating Western Europe is also indicated by the appointment this year of three new ambassadors of high calibre to London, Paris and Bonn. Mr. Shevardnadze's visit to London also comes three days after President Mitterrand had been in Moscow for three days of discussions with Mr. Gorbachev and before a visit to the Soviet Union by Mr. Hans Dietrich Genscher, the West German Foreign Minister.

Soviet commentary has recently sounded a little disappointed at the results of its fresh approach in Western Europe. The use of British air bases for the American air raid on Libya in April showed Moscow how close Mrs. Thatcher stands to President Reagan. At the same time his announcement that the US will break out of the Salt-2 treaty in November shows that British influence in the White House is limited.

Mr. Shevardnadze will also presumably expect no positive British response to Mr. Gorbachev's offer of last year for direct talks between Britain and the Soviet Union on the British deterrent. The Soviet side is concerned that once the Trident submarines are operational that

this will provide Britain with an eightfold increase in its nuclear warheads.

Britain will also try to get some breakthrough on the Geneva chemical weapons talks while Mr. Shevardnadze is in London. But Mr. Anatoly Dobrynin, the head of the Communist Party Central Committee's International Department, told Dr. David Owen in Moscow last Thursday that for the Soviet Union to go to a summit it must have a "substantive" agreement on some measure of nuclear arms control. Agreement on lesser issues would not be in the eyes of the Kremlin be enough to justify a meeting.

One strand of the links between the Soviet Union and Britain is clearly weakening. When Mr. Gorbachev was in London in 1984 he spoke of British-Soviet trade increasing by up to 40 per cent. Since then the price of oil, 60 per cent of the Soviet Union's total exports has dropped. British exports to the Soviet Union fell to \$537m in 1985 while imports were \$725m. This year they are at about the same level.

There has, in any case, always been something a little spurious in the economic trading and credit agreements negotiated between Britain and the Soviet Union. Moscow was never going to provide a big market for British goods even when the price of oil was high. Economic agreements, such as the protocol to be signed while Mr. Shevardnadze is in London, are largely significant as political symbols.

The other point of interest over the next three days is to see Mr. Shevardnadze in action. The Soviet Foreign Ministry has become a more formidable organisation since he took over as younger diplomats are promoted and some departments reorganised. Mr. Gorbachev is clearly keen that Soviet foreign policy should have public visibility in the world in contrast to the secret negotiations preferred by President Brezhnev and Mr. Gromyko.

Soviet diplomats also appear to have shifted their negotiating style away from the single-minded belabouring of one issue, such as Soviet opposition to Pershing II and cruise in 1983 or the strategic defence initiative (Star Wars) in 1984-1985, to a more important, justification, in the eyes of many Americans for investing more money in the project.

To prevent the Soviet case as a reason for being in London even if it produces few concrete diplomatic gains in the form of treaties, communiques and protocols. The fact that he is the most senior Soviet government official to visit London since 1967 shows the degree to which the way Soviet foreign policy is conducted has changed over the last year.

# UK NEWS

## Geevor's application for aid rejected

By Kenneth Marston, Mining Editor

CORNWALL'S loss-making Geevor tin mine at Pendeen has had its latest application for government aid turned down. The Department of Trade and Industry was not convinced that a viable project suitable for a section seven assistance would emerge from the company's application.

Last month, the DTI turned down the Cornish mine's earlier application for grants towards a £25m cost-cutting package, but Mr Peter Morrison, the Industry Minister, said he might consider revised proposals.

Mr Edward Nassar, the chairman who bought a 19 per cent stake to Geevor from Rio Tinto-Zinc in February, said yesterday that his commitment and that of the Jantar company—of which he is also chairman—to keep the mine dry was conditional upon DTI assistance.

If the mine is allowed to flood it is unlikely to be dewatered and reopened. Production was halted and workers laid off at the beginning of April because of the international fall in tin prices.

The Cornish tin industry's troubles stem from the collapse last October of the International Tin Council, which ran out of funds for its price-supporting tin purchases. Prior to that, the metal was fetching £3,140 per tonne on the London Metal Exchange.

Since the collapse LME dealings have been suspended. Trading on the free market has seen sharply lower prices emerge, the current level being about £3,600.

This is far below Cornish mining production costs. Geevor needs some £3,000 to break even but was hoping to lower this figure to about £5,000 with a capital works programme aided by the DTI.

He also named several new outside directors, chosen to strengthen the board. They include Mr Michael Julien, who will step down as Midland Bank

## Pepsi message fizzles round globe

BY FEONA McEWAN

PEPSI-COLA, the multinational soft drinks group, has launched its first worldwide advertising campaign featuring Tina Turner, the raunchy queen of rock.



Tina Turner gives the flavour of the campaign

Ultimately 145 countries will see Ms Turner, all mouth, leg and pout, belting out the Pepsi message. "We got the taste for living... we got the taste for loving... we got the taste for Pepsi," she sings to a stadium crammed with doting Pepsi fans.

Pepsi's arch-rival Coca-Cola, whose UK advertising and promotions budget for 1986 is £15m, has pursued the global route since the 1960s. Its all-singing commercial called "Teach the World to Sing" which in 1971 topped the record charts in several countries, was one of the most successful in recent years.

Ms Turner, whose records have sold more than 15m worldwide, was chosen from a hand-picked list of international pop figures for her international appeal to the young audience Pepsi wants to dominate.

The commercials which have already been shown in Mexico and the Philippines will be given local favour by featuring her in duets with various national pop stars. The Philippines, Thailand, Brazil and Puerto Rico have been selected for this "personalisation".

Next year it could do the same for Ms Turner's planned world tour. Another popular singer, the connection with contemporary music has proved highly successful for Pepsi. Michael Jackson, signed up for commercial work in 1983, gave the company good mileage when it also sponsored his world tour.

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Lionel Ritchie, has presented the face of Pepsi in the US.

Mr Drummond Hall, marketing director of northern Europe, said last year was the company's best. In 1985, Pepsi claims to have netted some £150m turnover at retail prices in the UK alone reflecting a general expansion in the soft drinks market.

The campaign, which has been devised by Ogilvy and Mather, the international advertising agency, is costing Pepsi-Cola some \$20m (£13.2m) (including production costs, fees and media costs).

The UK campaign, which is launched on television on Monday night, is said to be worth £2m. Satellite television will beam the commercials into Europe. Press, cinema and poster advertising are also part of the campaign.

Though conceived in the US, the song at the heart of the campaign was written by a British songwriter, Mr David Dundas — whose catchy jeans on number for Brutus jeans in the 1970s became a hit soon after it was launched.

## Tunnel share placing delay 'because of bank queries'

BY ANDREW FISHER, TRANSPORT CORRESPONDENT

QUESTIONS RAISED by banks over construction contracts for the Channel Tunnel are responsible for the delay by the Anglo-French Eurotunnel consortium in raising £200m through a share placing. Lord Pennock, joint chairman, said yesterday.

He confirmed that the prospectus for the issue would now be delayed beyond the summer holidays, instead of coming out this month. He said: "Perhaps we over-estimated the ease with which this project would go through."

The new members, in addition to Mr Julien, are Mr Andre Bernard, former president of Shell France; Sir Alistair Frame, chairman of Rio Tinto-

group finance director to become a full-time executive of Eurotunnel, concentrating initially on finance.

Lord Pennock said the 38 banks with which loan agreements were being completed had asked for clarification on technical points. Although the equity issue could still have proceeded, the consortium's financial advisers had said it would be better to sort out these details first.

The share placing, due initially on July 24, had been expected to raise £70m in the UK, £70m in France and £20m each in Japan, the US and the rest of Europe.

The founding shareholders—UK and French banks and construction and engineering groups—have already put in £28m of equity and have agreed to lend Eurotunnel further funds, likely in total several million pounds a month, until the placing occurs in September or October.

He said the four board appointments would provide a wider, stronger, robust board. At present it mainly comprises directors from the founder shareholders.

The new members, in addition to Mr Julien, are Mr Andre Bernard, former president of Shell France; Sir Alistair Frame, chairman of Rio Tinto-

Zinc; and Sir Nicholas Henderson, former UK ambassador and chairman of the consortium before it was chosen by the UK and France in January.

The building of the Channel could provide 3,160 long term jobs in Kent by 1993, rising to 3,710 by 2003, provided the opportunities created were taken at the local level, said the Channel Tunnel Joint Consultative Committee, a Government-appointed body in an interim report published yesterday.

Kent Impact Study: A preliminary Assessment; Department of Transport, Room 810/23, 2 Marsham Street, London SW1P 3EB; free.

## Current account deficit increases in Australia

BY EMILIA TAGAZA IN CANBERRA

AUSTRALIA'S current account deficit in the financial year 1985-86 reached A\$14.3bn (£5,900), up 34 per cent or A\$3.6bn on the deficit for 1984-85.

The Statistics Bureau reported yesterday that two-thirds of the increase was due to the trade deficit, which rose from A\$8.6bn in 1984-85 to A\$13.7bn. Exports during the period amounted to A\$32.3bn, an increase of 11 per cent over last year. Imports rose 18 per cent to A\$35.6bn.

The Government had originally forecast the 1985-86 deficit at A\$10.7bn but it may revise the estimate to A\$13.7bn. The revision was prompted by the steep decline in Australia's terms of trade.

In the last few years, the terms of trade have deteriorated steadily each year from 1979. The deficit outcome however was well within the expectations of bankers and currency dealers, thus accounting for the mild response of the Australian foreign exchange market.

The current account figures were released amid reports from New York that Moody's, the credit rating agency, was reviewing Australia's Triple A rating.

Mr Paul Keating, the Federal Treasurer, said he was not concerned at the possibility of Australia losing its top credit rating. He said Moody's would look at the long-term, not the short-term, prospects for the country.

## Tamils to join Colombo talks

By Mervyn de Silva in Colombo

THE FORMER opposition leader and general secretary of the Tamil United Liberation Front (TULF), the main Tamil party, will arrive in Colombo today from Madras for talks with President Jayawardene on the Sri Lanka Government's latest offer of provincial autonomy for the Tamils.

Mr Appapillai Amirthalingam will be accompanied by Mr M. Sivasingharam, TULF party president, and another member of the party's politburo.

The TULF leaders will concentrate on two issues, devolution of powers to be vested in proposed provincial assemblies, said Dr Nicholas Troshchyn, the only Politburo member living in Colombo.

In an interview Dr Troshchyn said "TULF will press its claims for a Tamil linguistic region in the north and eastern provinces."

Four persons, including a security guard, were injured when a bomb was thrown Thursday night at the Hotel Empress in Colombo where TULF leaders usually stay when they visit Sri Lanka.

## Royal Navy ships visit Shanghai

BY ROBERT THOMSON IN SHANGHAI

TWO Royal Navy ships returned yesterday to Shanghai in what is much a military marketing exercise as gunboat diplomacy. The HMS Manchester, a destroyer, and the HMS Amazon, a frigate, docked in the shadow of the city's colonial skyline after the British Government had apparently satisfied the Chinese that the vessels were not carrying nuclear weapons.

British diplomats publically refuse to "confirm or deny" whether the ships are nuclear-armed. A planned call at Shanghai by a US warship last year was sunk after the Chinese demanded guarantees that the vessels carried no nuclear weapons, and Washington asserted that it never gives such guarantees.

The ships will be open for inspection in the next few days by Chinese naval officials, who are looking for equipment to upgrade their badly-run-down vessels, and representatives of several British companies, including British Aerospace,

Marconi, and Paxton, will be on hand in the hope of sales.

The visit is the first by ships potentially carrying nuclear arms since the wrangle with the US, and also the first since an informal visit by British naval ships to China in 1980. It is also the first large-scale contact between the two navies since the Falklands war, and it is likely that Chinese officials will be briefed on the lessons learned during that conflict. At the time, the Chinese accused the British of "gunboat diplomacy."

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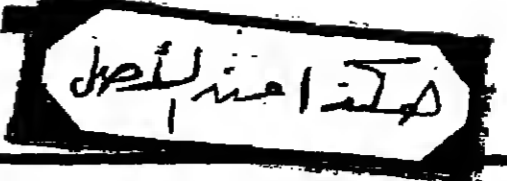
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## Former head of CPSA to attend TUC meeting

By Philip Barrett, Labour Editor

MR ALISTAIR GRABHAM, outgoing general secretary of the Civil and Public Services Association, is to attend the TUC General Council later this month although he will be director of the management-union Industrial Society by then.

Mr Grabham's planned attendance at the meeting on July 23 as head of an organisation which is not only unaffiliated to the TUC but also one with which the TUC has had an uneasy relationship, is thought to be unprecedented and is likely to prompt objections from other General Council members.

Mr Grabham left office as CPSA general secretary at 4 pm yesterday and takes over on Monday at the Industrial Society. His resignation from the CPSA led to the controversial election for his successor.

Under TUC rules, the CPSA has an automatic seat on the General Council and, once installed at the TUC's annual Congress in September, the holder has the right to keep the seat until the next Congress—whilst this year is in Brighton.

## Limit sought on pickets at Wapping

By Helen Hague, Labour Staff

NEWS INTERNATIONAL, the newspaper publishing group, has cited a legal victory won by working miners during the pits strike in support of its claim for a ban on demonstrations by print unions outside its plant in Wapping, east London.

Counsel for Mr Rupert Murdoch's group told Mr Justice Stuart-Smith in the High Court in London yesterday that News International employees were entitled to the same protection as working miners.

He cited a case last year in which working miners in south Wales won a High Court ruling that intimidation by pickets was a civil law wrong and could be stopped by an injunction.

News International, by one of its subsidiaries and an advertising manager on The Times are seeking injunctions banning print unions Sogat '82 and the National Graphical Association and six named Sogat officials from organising any picketing but a six-strong picket line. The judge adjourned the hearing.

Purnell and Sons, a subsidiary of Mr Robert Maxwell's British Printing and Communications Corporation, based near Bristol, yesterday sent severance pay to members of the engineering workers union, AUE, the electricians union, EETPU and Sogat.

## NUR backs secret ballots for executive

BY OUR LABOUR CORRESPONDENT

THE National Union of Railwaymen has brought its election procedures in line with the Trade Union Act 1984 after being warned that unless it did the union risked "destruction."

Delegates to the NUR's annual conference in Waston-super-Mare, meeting in closed session, this week voted unanimously to change union rules to provide for secret individual ballots in national executive committee elections.

Conference also voted unanimously to commission an independent report on its future structure, role and responsibility, as well as the union's national and divisional officers, district councils and branches.

The move to comply with the act followed complaints to the Certification Officer, the Government official who oversees union affairs, about the NUR's executive elections last autumn. The elections, for one-third of the executive seats overlapped the date on which the act took effect on October 1.

The Certification Officer found that the elections breached the act because they were conducted on the branch block voting system and voting was done by show of hands.

In anticipation of this week's conference decision, the NUR agreed to re-run the elections this year in accordance with the act and alongside voting for further executive seats. This means two-thirds of the executive will be chosen by a ballot in the autumn.

In the resolution carried by conference, the executive said there was "no other realistic option or alternative available to the union other than to amend the rules if further consequences and penalties are not to be invoked through the courts."

It warned: "Not to do so would, in our view, not only

weaken the union's position, but could potentially lead to its destruction and threaten its very existence."

The NUR's decision to review much of its structure reflects an awareness of the need to keep pace with the rapidly changing nature of the railway industry and the other sectors in which the union is represented.

Excluded from the review will be the executive committee and the union's conferences for membership grades. These were dealt with by an earlier report commissioned in 1978, reviewed in 1984 and due for further assessment in 1990.

## Mine unions to boycott NCB talks

By Our Labour Staff

THE Union of Democratic Mineworkers is to join three other mining unions, including the National Union of Mineworkers, in a boycott of talks with the National Coal Board on a new consultative process.

The executive committee of the UDM, which claims to represent 35,000 miners, has decided not to attend the talks next Tuesday because 6,000 of its members have still not been paid a £5.50 a week wage rise backdated to last November.

The talks were called by Sir Ian MacGregor, NCB chairman, in an effort to establish new consultative machinery before he retires at the end of August. The NUM, the clerical union Apex, and the pit supervisors' union, Naodcs, have all declined to attend. The British Association of Colliery Management said it had not been invited.

The UDM wants its own meeting with the full NCB board to negotiate a bilateral conciliation scheme as a first step to winning the pay rise for its members in areas dominated by the NUM, which has not yet agreed a wage deal.

## TUC council member criticises support for Labour

BY OUR LABOUR EDITOR

THE STRESS laid by TUC leaders on securing the return of a Labour government is a "hopelessly inappropriate" policy, according to Mr John Lyons, general secretary of the Engineers' and Managers' Association and a member of the TUC General Council.

Mr Lyons's remarks, made in a speech earlier this week in Cambridge but released only yesterday, form the first detailed exposition of his thinking on industrial issues since he became the first union secretary to join the Social Democratic Party at the end of last year. Much of his Cambridge

speech is in line with SDP policy.

He acknowledges there is little he or anyone else can do to alter the TUC's position before the next General Election, although he insists that unions and industry must break away from hostile relations.

He advocates proportional political representation—a key-note of SDP/Liberal Alliance policy—as the only method which in practice would provide such a break with historical practice. He makes it clear that he now regards this as a much more fundamental issue than

which failed to promote industry's general interests.

Among the issues the two sides could tackle in this way would be the reduction of the Treasury's power over the economy, the need to strengthen the Department of Industry, the need for a sustained government programme of infrastructure investment and for the requirements of industry to be given priority over those of the City.

Mr Lyons says: "My point is that we simply cannot afford the luxury of these ideological sea-saw games with our rapidly contracting industrial base."

## Macreadie court action adjourned until Monday

BY OUR LABOUR CORRESPONDENT

THE HIGH COURT action brought by Mr John Macreadie, the militant TUC secretary, against the CPSA general secretary but barred from office, was yesterday adjourned until Monday.

After agreeing to the adjournment Mr Macreadie made it clear he would not now carry out his threat to defy the order of the union's national executive committee by reporting for duty as general secretary as scheduled on Monday morning.

He said his change of heart was prompted by a warning of disciplinary action against CPSA staff who supported him. "I don't want to put people in the position where their jobs are on the line."

The warning of disciplinary action is seen by Mr Mac-

readie to be contained in a letter to staff from Mr Alistair Grabham, outgoing general secretary, and Martin Chambers, president, telling them they are required to comply with the executive's instructions.

The letter says: "There may be attempts to persuade you to join in arrangements which would involve defying the NEC. You should ignore any attempts to do this."

The High Court action, before Mr Justice Vinelott, was adjourned to allow the CPSA time to prepare its defence. Both sides hope on Monday to be able to begin a full hearing of Mr Macreadie's challenge of the executive's right to bar him from office pending investigation of complaints about his election victory.

## APPOINTMENTS

### Louis Dreyfus changes

Mr John Brady has been appointed chairman of LOUIS DREYFUS TRADING and Mr Alistair J. Dickie is being transferred from the Paris head office to become managing director from August 1. The following changes have been made to the board of R. J. Seaman and Sons following its acquisition by Louis Dreyfus Trading: Mr Brady has been appointed chairman in place of Mr A. V. Collins who remains a non-executive director. Mr David Hall has been appointed managing director in place of Mr J. T. Gray who has retired. Mr Dickie and Mr John Peirson have been appointed directors.

DEN NORSEK CREDITBANK, London office, has appointed Mr Richard J. Keiser to director in the shipping and offshore department, and Mr Paul E. Stevenson to director in the investment banking division.

Mr Michael Gardner has been appointed managing director of WILLIAMS LEA COMMUNICATIONS, a subsidiary of the Williams Lea Group, and the Rev. Bill Penney becomes chairman. Mr Gardner was previously financial director of the group's financial printers, Williams Lea and Co.

NEEDLERS, Hull, has appointed Mr Brian Whittle as chief executive. Mr Raymond Needler, who was managing director, will remain non-executive group chairman.

Mr Barry Skipper has been appointed non-executive chairman of WHITWORTH'S FOOD GROUP, a Booker company. Mr P. D. Clayton and Mr M. C. Fisher have joined Whitworth's as managing director and finance director respectively. Mr A. E. Noble and Mr C. P. Johnson have been appointed non-executive directors. Mr I. S. Stowe remains an executive director. Mr T. N. Holt, Mr C. T. Mannerling, Mr P. C. Aspinall and Mr T. W. M. Bayliss have resigned from the board.

The Industry Secretary has reappointed Mr James W. Maling as a part-time member of the board of BRITISH SHIPBUILDERS. The reappointment will be for two years from July 9. Mr Maling is a Dutch naval architect and marine industries consultant. He is currently a board member of the Institute for Shipping and Shipbuilding, Rotterdam.

BRITISH COAL'S new marketing director for London and southern sales regions is Mr John R. Nicholson. Mr Nicholson succeeds

NATIONAL STARCH AND CHEMICAL CORPORATION has elected Mr Douglas A. Conchaley as vice-president of European operations. He was divisional vice-president responsible for the organisation of operations on the Continent. He will be based at Beaconsfield, Bucks.

Mr Peter Dicken has been appointed managing director of DEXIA CONCESSIONAIRS, UK importer of Romanian-built four-wheel drive light commercial vehicles. He will continue as finance director; he takes over from Mr John Samma. Mr Peter Payne and Mr James Asprey have been appointed deputy managing directors.

J. H. MINET AND CO has appointed Mr Peter Carmichael to the board.

CLARKSON PUCKLE GROUP, part of the Dalgety Group, has appointed Mr David A. King as managing director of Clarkson Puckle International Benefit Consultants.

THE LAW DEBENTURE CORPORATION has appointed Mr Kenneth A. Graham as a director of its subsidiary the Law Debenture Trust Corporation.

EVERED HOLDINGS has appointed Mr Timothy Grimes as company secretary to the group.

Mr Barry Kirby has been appointed to the main board of Lloyd's broker JARDINE GLANVILLE (UK). He is deputy managing director of the company's London Division.

Mr Koya Ishii, general manager of the London branch of YASUDA TRUST AND BANKING COMPANY is returning short to head office in Tokyo, where he will become general manager of the new international credit analysis department. He is succeeded by Mr Hidekazu Hirayama, deputy general manager, latterly of the recruitment and training department—head office.

CARADON has appointed two additional non-executive directors—Mr R. A. Wheeler, the chairman of Myson, and Mr C. M. Thompson, the chief executive of the Restatki Group. Mr D. C. Collins, previously finance director of Caradon, has been appointed finance director. In addition to the above, the board of Caradon, under the chairmanship of Mr A. P. Bichens, now consists of Mr P. J. James, managing director; Mr A. D. Meek, executive director; Mr S. W. Curran of Candover Investments, and Mr R. K. Collins of

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Saturday July 12 1986

## Message from Mr Volcker

IT IS now official. The US economy is running out of steam. To get it moving once again, a conscious push from government policy will be needed. If the US's trading partners wish to cling to their true religion of monetary targeting and government non-intervention they are welcome to do so, but their exporting industries could soon become the cannon fodder in a war of competitive devaluation which the US is determined to win. When the US Federal Reserve Board cut its discount rate from 6.5 per cent to 6 per cent on Thursday, its unusually assertive explanation was as important as the action itself.

The Fed made no attempt to hide its neo-Keynesian intent under a monetarist bushel. Instead of claiming, as it often does, that it was merely going along with money market pressures, the Fed went out of its way to state that its cut was only partly a response to falling market rates. The need for further action stemmed from slow growth in GNP and absence of capacity constraints in the industrial economy—two typically Keynesian indicators of real economic performance of the kind which the monetarist excite entirely from the vocabulary of the central banks.

In itself, there might have been nothing too remarkable about this statement, since the Fed has for several years been a distinctly half-hearted member of the nominally monetarist central bank group. What was genuinely unusual about last Thursday's statement is that the US central bank went much further—referring to sluggish growth prospects and surplus capacity not only in the US, but to the rest of the industrialised countries as well.

**Serious message**  
Central bankers regard themselves as members of an exclusive brotherhood, dedicated first and last to the preservation of their money. Their commitments on each other's policies are usually confined to mutual admiration. If they do make criticisms, it is almost invariably to urge further tightening or restraint. Had it come from any central banker less powerful and distinguished than Mr Paul Volcker, the Fed's chairman, any such hint that other members of the fraternity should actually relax their policies, would have been regarded as a clear breach of etiquette. It can safely be assumed, therefore, that Mr Volcker meant to convey a serious message when he went to the trouble of drawing his international colleagues' attention to the softness of their own economies. The implications of this message will reverberate around all the world's financial mar-

**A**S AMERICANS were celebrating 210 years of liberty last weekend, some glum investors on Wall Street were coming to the conclusion that the US economy is holed in chains which could ultimately drag the nation into recession.

As soon as the July 4 holiday ended, traders on the New York Stock Exchange were deluged with "sell" orders which drove the Dow Jones industrial average down 30 points within half-an-hour and a record 62 points by the end of the day. On Tuesday, a second wave of selling struck, partly in reaction to the news headlines about the first. By the end of the week, things were steadier, helped by the Federal Reserve board's decision to cut its discount rate by half a percentage point to 6 per cent in an effort to boost economic growth and pressure West Germany and Japan to stimulate their economies.

But Wall Street's fit of nerves has left the American business and political communities seeking the answers to some tough questions. The Fed's discount rate decision notwithstanding.

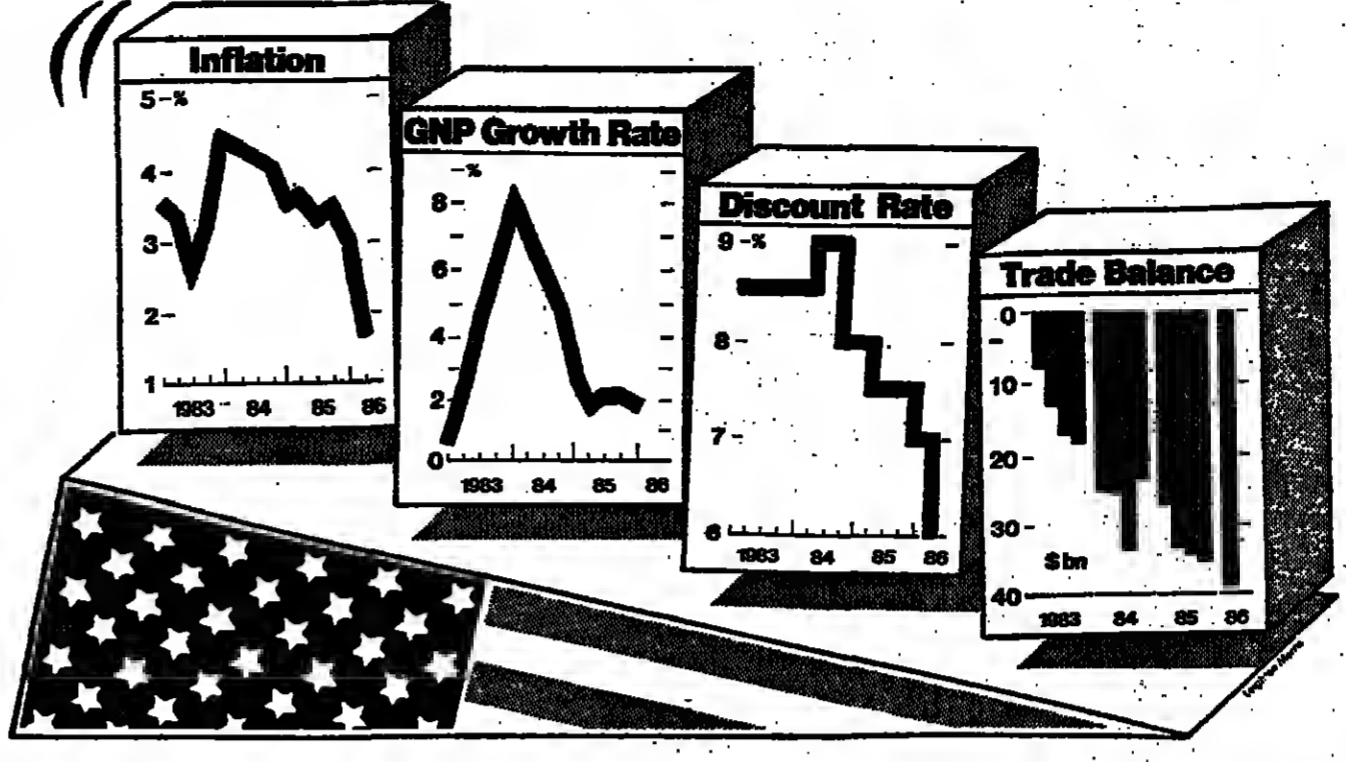
On the face of it, Wall Street last week was most probably reacting to the fact that investors in ordinary shares have been enjoying an almost uninterrupted boom for the past two years, a boom which had taken the Dow Jones index to its all-time high of 1909.03 on July 2. The time, perhaps, had come to sweep away some speculative froth.

But the explanation could run deeper. In New York this year, there have been six days when the Dow has dropped more than 30 points. Could this be a manifestation of an underlying fear that the bull market's foundations are beginning to look rather flimsy? Wall Street's consensus for the moment seems to be that it is witnessing a correction normal in a rampant equity market. On this view, continued moderate economic growth will help to underpin most of the recent gains in share prices by keeping inflation and interest rates in check. It's just a blip, maintains Mr Larry Watchel, market analyst for Prudential-Bache Securities in New York. But if many market analysts on Wall Street are putting a brave face on this week's plunge in share prices, a growing number of economists, in the private and public sectors, are beginning to hedge their bets about the economic outlook and to worry about the growing risks of recession. Goldman Sachs Economics, until a couple of weeks ago fairly optimistic about the economy, has begun to trim its forecasts back. It is still projecting continued real growth in the second half of the year but in the 2.3 per cent range rather than the 4.5 per cent it had been expecting. Mr Jason Bendorly, co-director of the firm's economic research division, describes the decision to pare its projection as a painful one.

## Wall Street and the US economy

# A signal to the world

By Stewart Fleming



The darkening economic outlook is even more painful for the White House and its Republican allies on Capitol Hill. Faced with mid-term elections in November, which will determine whether the Democrats regain control of the Senate, Mr Reagan and his party have been looking rattled. Top Administration officials such as Mr Donald Regan and Republican such as Senator Robert Dole have been pressing the Fed hard to cut interest rates.

President Reagan's once-roaring expansion has limped along for two years now at annual rates of growth of no more than 2 per cent. There is no sign of it recovering the stamina even to break into a jog, in spite of four cuts in the Fed's discount rate since December. The first quarter's apparently encouraging 2.9 per cent rate

of expansion was widely discounted as something of a statistical freak. Moreover many private economists fear that second-quarter GNP figures to be released on July 23 will portray an economy dragging along at an annual rate of growth of only 1.2 per cent again, even though the consumer seems to have been spending more aggressively. The failure of the US economy to expand more rapidly seems to have caught most economists on the hop. Indeed at the beginning of the year, many were forecasting other 1986 would be a banner year for the economy, with some even predicting real growth of 7 and 8 per cent.

What went wrong? One factor is the way the precipitous oil price decline has added a new layer of sectoral weakness to an economy which was already labouring under the burdens of a farming recession, a regional real estate bust and an industrial sector whose strength has been sapped by import competition.

Another is that after four years of economic expansion, during which consumers have satisfied much pent-up demand and taken on unprecedented volumes of new debt, the monetary elixir of lower interest rates has worked its magic more on the value of assets such as shares and houses than on output. Even the upswing in housebuilding associated with lower rates has been quite modest. One of the principal mechanisms through which the decline in the dollar was expected to boost the US economy was through expansion of US production. As the US economy became more competitive, exports were expected to rise and imports fall. Backed by the host from lower interest rates, this in turn was expected to trigger a virtuous circle in which increasing employment and expanding personal incomes would create a self-feeding economic recovery.

Economists such as Mr Bendorly say that the failure of the dollar decline so far to spark a turnaround in the trade sector has short-circuited the mechanism through which lower interest rates would normally

## LOCAL FACTORS IMPEDE PULL OF THE DOW

**T**HAT HALLOWED City tradition, the extended lunch, has already been undermined by bright-eyed global traders who deal around the clock without paying court to such luxuries as eating and sleeping. Now, it is even more at risk. Those stockbrokers who still like to indulge in port and cigars are liable to find that during their absence, New York share prices have fluctuated sharply at the opening, and London's has moved in line. Similarly, overnight moves on Wall Street are likely to be followed in Europe as early-bird traders arrive in their offices in the morning.

This week was a case in point. Wall Street decided on Monday that it was over-bought after a period of extraordinary strength, and the Dow Jones Industrial Average fell 61 points on Monday to 1,839. Europe duly took its cue—or rather, some markets did. In

Britain the Financial Times Ordinary Index fell 30 points on Tuesday to 1,917. Prices fell in France and Switzerland, though they actually rose in West Germany, Italy and Japan. The fact is that Wall Street tends to be more volatile now, day-to-day, though not when viewed from a longer-term perspective. Fluctuations are partly due to sophisticated, high-technology investment techniques such as "programme trading".

Moves in New York have always tended to provoke knee-jerk reactions from traders in the world, so those instinctive and emotional mark-ups or mark-downs of prices tend now to be more violent. Yet it really is not that simple. Falls in share prices this week have been followed in general by recoveries. Even if

minute-by-minute price changes are affected by New York, European stockbrokers say moves in their markets are still caused by fundamental factors affecting their countries and not by purely exogenous influences. "The market will always shiver when anything unexpected happens," says Mr Kenneth Inglis, director of equity research at stockbrokers Phillips & Drew. But in general, he says, "the correlation is low... I don't think about Wall Street very much when I think about our market."

The London stock market was already gloomy on Monday, because of new fears about the renationalisation of British Telecom following disclosure of Labour Party plans if it wins the next election. This sentiment was fuelled not only by Wall Street's drop but also by renewed doubts

## Man in the News

**Bob Scholey**

### When a spade is a bloody shovel

By Nick Garnett

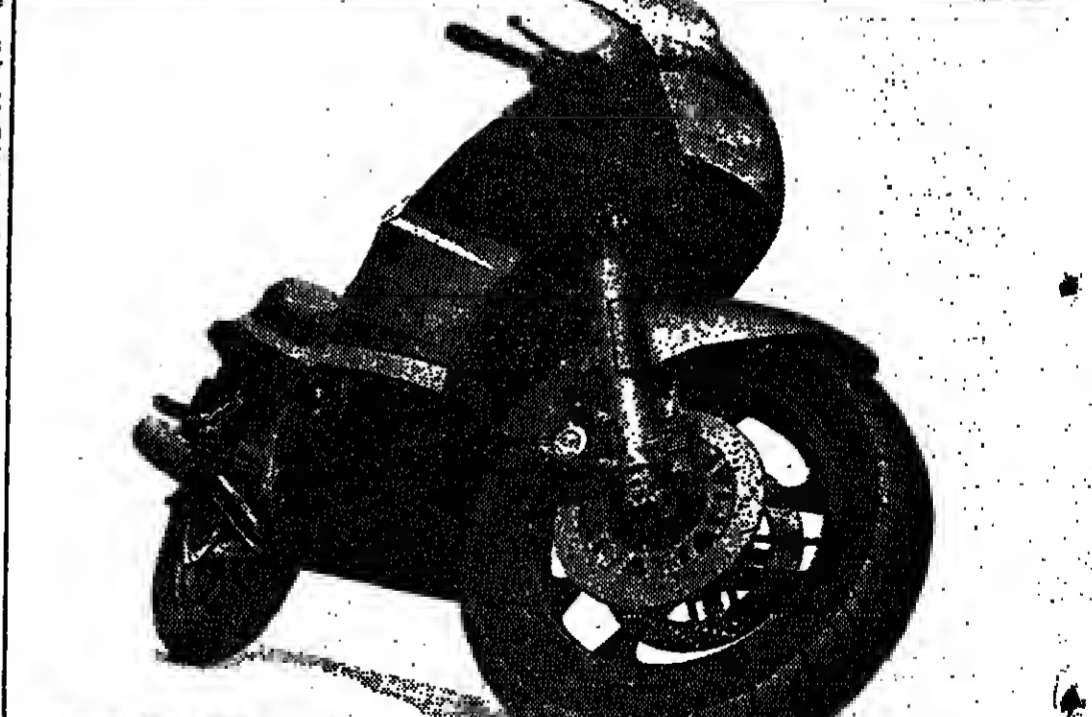


**T**HE BIG Yorkshireman at the British Steel Corporation has finally had the laugh. It was entirely fitting this week that BSC should announce its first yearly profits; this after 10 years of huge losses and just a few months after Bob Scholey eased himself into the chairman's seat. A professional steelmaker to his bones who was made chief executive as long ago as 1973 and sat awkwardly by as three others were brought in above him, Scholey has been for a long time the steel industry's principal soldier. It was he who led the planning and execution of the corporation's escape from the gloomy days of the early 1980s, when the corporation's international competitors were more or less waiting for it to vanish. So Scholey took some pleasure on Monday in announcing to journalists over breakfast at the slimmed down corporation's headquarters in London that it had made a profit of £38m. He was not jumping over the moon, but you could see he was pleased. It has been a long grind and a labour of passion to the £105,000 a year chairmanship since Scholey began as an engineering trainee at Steel, Peech and Tozer in Rotherham on EB 45 7d a week back in 1947. Rough-hewn and gruff, but clever and mechanical, the 64-year-old mechanical engineer from his home town university of Sheffield is a lover of art and opera who has tramped many times with his wife the paths between the sites of ancient southern European civilisations. But he is also a hard, practical man and a tough technician with a robust hide and a fierce love of the industry that his father also worked in for 52 years. That feeling is devoid of any sentimentality but is rooted in a belief that you should know exactly what your job is and then do it. "In a way I'm meditative. In the Middle Ages life was strictly regimented. Priests were regimented. My father, Mr. Musgrave, Austin Rover's chief

handed, Everyone did their bloody job. Today there's a temptation to do the job of everyone else but that of your own." His job as chief executive will be handed over in August to Martin Llovsrch, the finance director and deputy chief executive, so that will remove some of the day-to-day burden. At present, Scholey's driver picks him up every morning at his Hertfordshire home at 7 on the dot. The company car is a Montego. "Harold Musgrave (chairman of Austin Rover) talked me into it. It's a turbo model. I've got minims interest in motor cars other than that. I like them to have a lot of poke. There is nothing better for philosophy-forming than working in an industry that swings from joy to despair and back. Scholey worked in the independent steel companies before nationalisation in 1967 and took over BSC's strip operations in the early 1970s. "We made £40m in the strip division. That was like a monkey doing a line out of Shakespeare." Then came the see-saw traumas of British Steel. There were the years of stratospheric expectations, when the board was going for 40m tonnes a year (production is now 14m tonnes); dreams that turned years of realisation in the 1970s that the world was going all wrong for producers, the attempts to begin contraction under the last Labour government and the steel strike of 1980 which cleared the decks for the vast changes that have swept through the corporation. Since that date, the BSC workforce has been cut by 110,000 (some through privatisation), nearly £600m worth of assets have been divested, the whole structure has been decentralised and the businesses separated into more discreet operations. It has been Scholey's hand on the tiller and there has been much human tragedy. The European steel bosses who were straining at the leash to take over BSC's home markets during the years of despair chose Scholey last year to be president of their informal club, Eursteel. Characteristically, Scholey has recently mastered French and uses it to chair the committee. This included the making an

easy to see areas that were once prosperous no longer so," he says. As chief executive he has worked under Sir Monty Finlayson, Sir Charles Villiers, Sir Ian MacGregor and Sir Robert Haslam. MacGregor was particularly valued for keeping the politicians off the corporation's back while the professional steelmen pounded and rolled the corporation into the shape they wanted. "He never let us down and we never let him down," says Scholey. As a technician and motivator, Scholey is widely respected in the industry, though the rift between him and Bill Sims, leader of the biggest steel union, the ISTE, during the strike, has never been healed. Roy Evans, the union's new general secretary says the attitude of the industry's workforce to him is one of grudging respect. "He is very blunt, calls a spade a bloody shovel and he knows the industry backwards." "He's a warm-blooded animal," says one steelman who has known Scholey for many years. "He's got a vast range of interests and can be very genial and approachable. But if he's in a rage, get out of the way." Scholey's man-management philosophies seem to be simple. "It's very important that everyone knows their job. The riding instructions ought to be minimal. If you pick your staff totally anti-bureaucrat. We aren't held together with paper here. "Never appoint someone to a job who you feel you couldn't work for yourself. I've always enjoyed the people I've worked with. That's vital. You achieve no more than those who work for you achieve for you. So those that think they've done it all themselves are slightly mad." The European steel bosses who were straining at the leash to take over BSC's home markets during the years of despair chose Scholey last year to be president of their informal club, Eursteel. Characteristically, Scholey has recently mastered French and uses it to chair the committee. This included the making an

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Bunzl in six purchases for £26m

Bunzl, the fast-growing paper and plastics group, yesterday announced the acquisition of six private companies for a maximum cash payment of £25.5m.

Mr James White, Bunzl's managing director, added that "Each of these acquisitions reinforces our commitment to expanding all our divisions in a structured and balanced manner."

Park Food advances 19% to £2.3m

FROM TURNOVER ahead by 28 per cent to £49m, the Park Food Group lifted its pre-tax profit by 19 per cent, from £1.82m to £2.17m, in the year ended March 31, 1986.

In other food activities BSA and Co Foods had a good year and expanded its activities into frozen food distribution and in-store bakery systems, both of which were seen as growth areas.

Hille Ergonom for USM with £10.4m valuation

Hille Ergonom, a leading British office furniture group, is coming to the unlisted securities market through a placing of 2.5m shares at 92p each by brokers Horne Govett.

BBA nets 30% Ratcliffe stake after £3.2m deal

F S Ratcliffe, the precision spring maker and painting contractor, is buying the spring division of Automotive Products in a £3.2m deal.

Benjamin Priest profits trebled

Benjamin Priest Group, the West Midlands manufacturer of drop forgings, spring pins and engineering products, reported 1985 profits from £381,000 to £1.1m in the year to March 28 1986.

Oakeshott takes control of Stewart Enterprise

MR MATTHEW OAKESHOTT, the former manager of the £550m Courtauld pension fund and scourge of investment trusts, yesterday announced that he would be taking over the management of, and re-structuring, a small Scottish investment trust, the Stewart Enterprise Investment Company.

GT Management full listing

GT MANAGEMENT is coming to the market with a price tag of £101.5m. The offer for sale of 12.5m shares at 210p each will be advertised on Monday.

Evered sells McKechnie stake at £3m loss

Evered Holdings, the manufacturing mini-conglomerate which last Monday failed in its bid for McKechnie Brothers, has sold its 15.1 per cent stake in McKechnie at a loss of about £3m.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Table with multiple columns for EQUITY GROUPS & SUB-SECTIONS, Friday July 11 1986, and various indices like FT-30 SHARE INDEX, FIXED INTEREST, and AVERAGE CORPORATE YIELDS.

Windsmoor allocations

By Richard Tomkins Chase Manhattan Securities yesterday announced details of the allocation of shares in Windsmoor, the fashion house which saw its offer for sale of 6.6m shares at 106p each over-subscribed 2 1/2 times when it closed on Wednesday.

Alida in £5m agreed bid

Alida, the USM-quoted plastic bag maker, has made an agreed £5m bid for G. W. Heath, the privately-owned distributor of packaging materials.

COMPANY NEWS IN BRIEF

WILLIS FABER has established its holding at 20.78 per cent in the enlarged capital of Morgan Grenfell by purchasing an share at 25p each.

French to buy 20% of Lanchester

By Philip H. ACCOR, the restaurant year acquires Lanchester V yesterday, his British company is going to country.

Allied clears second legal bid hurdle

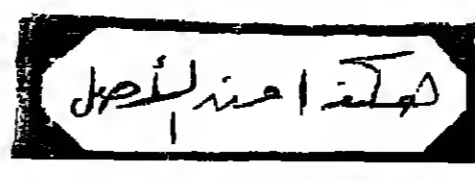
Allied Lyons yesterday passed the second legal hurdle in two days to its acquisition of Hiram Walker's drinks division, when the Canadian Government gave its approval.

Home Brewery

Home Brewery, based in Nottingham, increased taxable profits from £2.08m to £2.29m for the six months to end-March 1986. Turnover was up from £27.1m to £28.7m.

CONSTITUTIONAL CHANGES: Samuel (H.) (34), Bedford Concrete Machinery (6), Continental Industrial Trust (7), Winterbottom Energy Trust (15).





CSR sells iron ore stake to CRA

BY OUR SYDNEY CORRESPONDENT

CSR, the big Australian mining and sugar group, continued its asset sell-offs yesterday with the sale of a half share in an undeveloped iron ore deposit at Yandicoogina in Australia's remote Pilbara region.

The buyer is CRA, the Rio Tinto Zinc group's Australian arm. Although the price was not revealed, it was believed to be about A\$40m (US\$25m).

The potentially large iron ore deposit lies 140 kms east of the Mount Tom Price mine of CRA's offshoot Hamersley Iron.

CSR last year envisaged developing a mine at Yandicoogina, spending A\$100m to produce around 3m tonnes of iron ore a year.

BHP at one stage wanted to buy CSR's Yandicoogina interest, to add to its own, but insisted on taking 100 per cent rather than the half share that CRA was happy to buy.

As a result, Australia's two largest mining companies and iron ore producers now sit at either end of the Yandicoogina deposit.

A 4 per cent fall in iron ore prices in US dollar terms has discouraged CRA from making an early start to its new mine, although it is expected to begin a feasibility study soon.

CSR probably will allow CRA to undertake most of the development and the running of the Yandicoogina mine, in the same way it has been a substantial but silent partner in the Mount Newman joint venture.

Sulpetro rearranges debt

By Robert Gibbons in Montreal

SULPETRO, THE troubled West Canadian energy group, has reached an agreement in principle with the Royal Bank of Canada for a new debt restructuring.

In the half-year ended April 30, Calgary-based Sulpetro, a major oil and gas producer, posted a loss of C\$24.5m (US\$25m) on revenues of C\$50m, against a loss of C\$25.3m on revenues of C\$51m a year earlier.

The restructuring is based on the reclassification of debt scheduled payments from cash flow, exchange of preferred shares and the issue of common shares.

These can total up to 50 per cent of all shares outstanding. They are convertible into voting common shares, one for one.

Sulpetro said the agreement would allow it to keep its core business operating ready for when oil and gas markets improve.

Management resumes control of HK bank

THE HONG KONG Government is to return management control of Union Bank of Hong Kong to the bank's new board more than three months after the banking commission appointed an outside group to run the AP-DI reports from New York.

At the time, the Government said Union Bank's management was inadequate to cope with financial troubles, giving his discretionary powers, Mr Robert Fell, banking commissioner, on March 27 appointed Jardine Fleming and Co, a local merchant bank, to run Union Bank.

Since then a joint venture of Peking-backed China Merchants Steam Navigation and Seaboard International has taken majority ownership of the bank and has installed new members on the board.

As a result, the Government said, the bank's liquidity had significantly improved. Fresh lines of credit have also been extended to the bank and Jardine Fleming's management was no longer needed.

Utd. Tech chief sells stock

MR HARRY GRAY, chairman of United Technologies, has sold 38 per cent of his holdings in the company's common stock since early February in what the company called a "normal diversification plan."

His sale of 115,000 shares, out of a total of 300,000 previously held, began on February 6 and ended April 28, according to Securities and Exchange Commission filings.

United Technologies, based in Hartford, Connecticut, makes diverse products, including Pratt & Whitney aircraft engines, Sikorsky helicopters, oil elevators, Nord defense systems, Carrier air conditioners, auto parts and industrial products.

Mr Gray said his stock at more than \$50 a share, or an indicated total of more than \$5.7m.

Penn Central plans disposals

PENN CENTRAL, the US electronics and energy group, plans to sell the pipeline and retail propane distribution businesses and assets of its Buckeye Pipe Line and Buckeye Gas Products subsidiaries to an equity partnership, AP-DI reports.

The partnership would be formed to raise a portion of the purchase price for these businesses through a public or private offering of limited partnership units and the balance through offerings of debt securities.

Marubeni hit by upturn in yen and shipping losses

MARUBENI, a major Japanese trading house, posted a substantial loss in the fiscal year ended March 31, in contrast with a Y26.2bn profit in the previous fiscal year, AP-DI reports from Tokyo.

Sales edged up 4.4 per cent to Y1,431bn from Y1,370bn. Per share loss was Y15.81, turning around from a Y28.76 profit.

Marubeni ascribed the poor fiscal 1985 performance to losses stemming from the depreciation in value of foreign currency bonds in its possession after the yen's sharp upturn. It also blamed losses incurred by overseas shipping subsidiaries suffering from the present sluggish world shipping market.

Short covering helps dollar

The dollar rose in currency markets yesterday as a result of a technical reaction to Thursday's cut in the US discount rate.

The reduction to 6 per cent from 8.5 per cent had on balance been expected although the timing may have caught a few people off guard. Nevertheless the reduction prompted a steady wave of short-covering, which accelerated towards the close of business and briefly boosted the dollar to above DM 2.18 against the dollar to a high of DM 2.1920.

However the very reason behind the reduction - continuing sluggish economic growth - is likely to dampen the dollar's recovery in the long run.

Against the yen the dollar closed at Y141.35 on Thursday, Y160.35 on Wednesday and Y158.50 on Tuesday. Elsewhere it improved to SFR 1.7850 from SFR 1.7775 on Friday and SFR 1.7875 on Thursday.

£ IN NEW YORK

Table with columns for currency type, date, and price.

Against the yen the dollar closed at Y141.35 on Thursday, Y160.35 on Wednesday and Y158.50 on Tuesday.

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STERLING INDEX

Table with columns for time, index value, and previous value.

POUND SPOT-FORWARD AGAINST POUND

Table with columns for currency, date, and price.

CURRENCY RATES

Table with columns for currency, bank, and rate.

DOLLAR SPOT-FORWARD AGAINST DOLLAR

Table with columns for currency, date, and price.

CURRENCYMOVEMENTS

Table with columns for currency, bank, and movement.

EURO-CURRENCY INTEREST RATES

Table with columns for currency, term, and interest rate.

OTHER CURRENCIES

Table with columns for currency, bank, and rate.

EXCHANGE CROSS RATES

Table with columns for currency, bank, and rate.

MONEY MARKETS

Cautious optimism returns

Interest rates were lower in London yesterday despite the pound's weakness and falling oil prices. The market took heart from a cut in the US discount rate to 6 per cent but this on its own was probably not enough to dispel a growing mood of pessimism.

However yesterday's actions by the Bank of England in servicing the pound's weakness and falling oil prices, the market took heart from a cut in the US discount rate to 6 per cent but this on its own was probably not enough to dispel a growing mood of pessimism.

FT LONDON INTERBANK FIXING

Table with columns for currency, bank, and rate.

MONEY RATES

Table with columns for currency, bank, and rate.

The Bank of England increased a shortage of around £50m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £540m and a rise in the note circulation, a further £305m. In addition banks brought forward balances £50m below target. These were partly offset by Exchange transactions which added £135m.

FT LONDON INTERBANK FIXING

Table with columns for currency, bank, and rate.

MONEY RATES

Table with columns for currency, bank, and rate.

LONDON MONEY RATES

Table with columns for currency, bank, and rate.

Treasury Bills (181): one-month 9 1/4, two-month 9 1/4, three-month 9 1/4, six-month 9 1/4, one-year 9 1/4. Bank of England: 10 per cent, 12 months 9 1/4, 18 months 9 1/4, 24 months 9 1/4.

Paper market explosion worries France

BY DAVID MARSH IN PARIS

EXPLOSIVE GROWTH in the French commercial paper market has been underlined by latest statistics which show outstanding issues totalled FFY 25.5bn (\$4.5bn) last week, much higher than expectations when the market was launched last December.

The fast development of the market—originally expected by the Finance Ministry in total only FFY 60bn in FFY 1984 by the end of 1986—has created worries at the Treasury and Bank of France over the possible risks for monetary control.

According to figures from the Bank of France, last week's outstanding commercial paper issues were made by a total of 117 companies and other borrowers. The volume compared with FFY 25.1bn at end June, FFY 22.6bn at end May and FFY 20.1bn at end April.

Nearly two thirds of total issues, however, were made by 15 large borrowers with volumes outstanding of more than FFY 500m.

As of end June, the bank noted a total of 1,069 issues in circulation, slightly more than half of which had maturities of 20 to 40 days.

Much faster expansion than expected of the market—part of the present wave of innovation on the French financial scene sparked a warning last month from Mr Michel Camdessus, governor of the Bank of France.

He said that companies in future would need to show restraint in making issues. Since such borrowing directly taps liquidity held by investment institutions and corporate treasurers without passing through the banking system, Mr Camdessus pointed out that it effectively escaped control by the Bank of France. This could lead to a rise in credit extended throughout the economy which could not be checked through the bank's normal monetary policy.

In order to vet the financial health of companies and other institutions tapping the commercial paper market, a credit rating agency has been set up under the aegis of Credit National, the official financing institution. This agency is expected to start delivering its first ratings on borrowers in September of October.

GE cancels joint venture with Sharp

By our Financial Staff

GENERAL ELECTRIC of the US, the diversified electrical products group, is cancelling its \$250m joint venture with Sharp of Japan to build a semiconductor plant in the US.

Under a plan announced in 1984, RCA, which is now part of General Electric, and the Japanese company were scheduled to build what was claimed to be the world's most highly automated semiconductor factory in Washington State.

The two companies formed a joint venture, RCA/Sharp Microelectronics, in which RCA held 51 per cent and Sharp the rest. The partnership was the first of its kind between big Japanese and US integrated circuit manufacturers.

However GE said yesterday that it had informed Sharp that it did not need the Japanese company's help in building the factory because it already had a semiconductor plant elsewhere. GE said Sharp had decided not to build the plant alone.

Preliminary construction began in the autumn of the factory, which would have employed 600 people designing and producing complementary metal oxide semiconductors, or CMOS chips.

Second-quarter loss for Intel

BY PAUL TAYLOR IN NEW YORK

INTEL, the leading US semiconductor manufacturer, remained unprofitable in the second quarter, posting a \$20m net loss for the fourth consecutive quarter, but noted some further improvement in new order levels.

The loss, equivalent to 17 cents a share, compares with net earnings of \$9m or eight cents a share in the 1985 quarter on revenues which fell by 15 per cent to \$303.2m from \$360m. The latest quarterly loss came after a \$2.5m extraordinary gain from the extinguishment of debt.

For the first half Intel reported a \$43m or 36-cents a share net loss, after a \$10m extraordinary gain, compared with net earnings of \$20m or 17 cents a share last time. Revenues for the first half fell by 20 per cent to \$385m from \$375m.

Commenting on the results, which were broadly in line with market expectations, Dr Gordon Moore, the Santa Clara, California-based group's chairman and chief executive, noted: "We saw some improvement this quarter from first-quarter levels. For the fourth consecutive quarter, our volume of new orders increased and our book-to-bill ratio remained over unity for the second quarter in a row."

However Dr Moore warned: "We expect it to continue to be difficult to make progress due to the excess capacity in the semiconductor industry and the continuing softness in the computer industry, our main customer."

Survival plan for Storage Tech

BY LOUISE KEHOE IN SAN FRANCISCO

STORAGE Technology, the US computer peripherals manufacturer, has worked out a plan for emergence from Chapter 11 of the US Bankruptcy Code. The company has been operating under Chapter 11 since October 1984.

The company has reached an agreement in principle with its creditors on the terms of its reorganization plan. It will pay off approximately \$650m in liabilities with a combination of cash, notes and stock. Creditors will receive about \$140m in cash, and the company will issue \$285m in 10-year notes with an interest rate of about 13.25 per cent. In addition, the company will issue stock representing 80 per cent of the post-bankruptcy stock of the company, substantially diluting stockholders' equity.

Current shareholders are expected to retain between 10 and 15 per cent of the company when the plan is implemented, but the company warned that additional equity may be needed to "fulfill previous agreements" or resolve material controversies.

Creditors will be divided into classes and compensated according to the seniority of their claims, the company said. Details of the classifications and the amounts to be distributed have yet to be negotiated.

Storage Technology said it would file its reorganization plan with the bankruptcy court as soon as possible and hopes to have the plan approved by the court before the end of the year.

The agreement with creditors is subject to several terms and conditions and remains subject to the approval of a majority of shareholders in each class.

Kubota reports 49% plunge in income for year

By Ian Rodger in Tokyo

CONSOLIDATED net income of Kubota, the Japanese farm equipment and engineering group, slumped 49 per cent to Y7.6bn (\$47m) in the year to April 15, 1986.

The company cited the sharp appreciation of the yen, high costs incurred in overseas projects, and other factors as reasons for the drop.

Consolidated sales rose 1.5 per cent to Y656.5bn. Export sales declined 7.5 per cent to Y156.2bn, reflecting the impact of the high yen on the competitiveness of Kubota products in world markets, but home market sales were up 4.2 per cent to Y500.4m.

Farm and industrial equipment sales were up 4 per cent to Y288.5bn. Water pipe sales were down 3.5 per cent to Y177.9m. Industrial castings and machinery sales were down 0.8 per cent to Y122.7bn but building materials and housing sales rose 10.2 per cent to Y65.9bn.

Shareholders' equity dipped 1 per cent to Y3,940 per 20 common shares.

LONDON TRADED OPTIONS

Large table with columns for call/put options, dates, and prices.

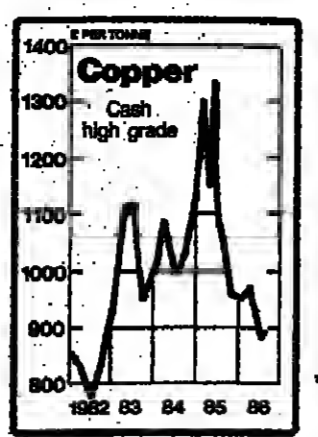
LONDON TRADED OPTIONS

Large table with columns for call/put options, dates, and prices.



REVIEW OF THE WEEK
Fresh drought fears boost coffee prices

BY RICHARD MOONEY
OFFER ITS long decline the coffee market sprung to life this week as the Brazilian weather provided new cause for concern. But the concern was not about frost, as might be expected at this time of year. Once again drought was the culprit.



Copper
Cash high grade
1982 83 84 85 86

US MARKETS
THE COFFEE MARKET attracted enormous buying interest on computer-led commission house buying, reports Heimold.

THE COFFEE MARKET attracted enormous buying interest on computer-led commission house buying, reports Heimold. A strong morning performance in London was met by aggressive short-covering in New York on the opening, with consecutive firm technical closes implying the change in sentiment.

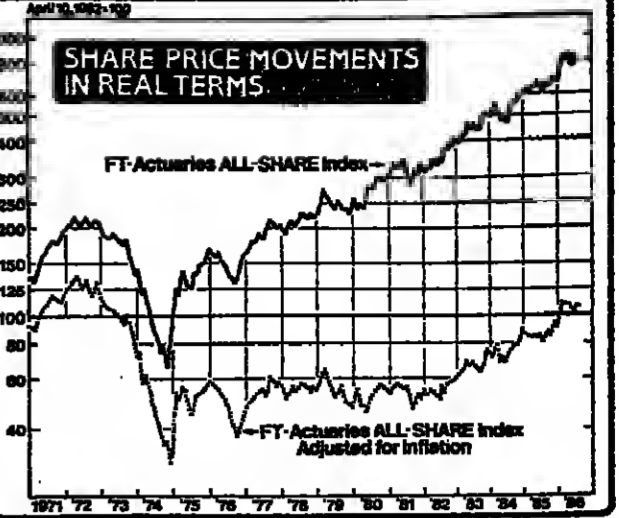
NEW YORK
ALUMINIUM 40,000 lb. cents/lb
COPPER 25,000 lb. cents/lb
COFFEE "C" 37,500 lb. cents/lb

Table of commodity prices for New York, including Aluminum, Copper, Coffee, and Soybeans. Columns include Date, Close, High, Low, and Prev.

Equities drift easier and Gilts weaken late

Account Dealing Dates

Optimism
\*First Declared Last Account Dealing Dates: Boaling Day July 30, July 10, July 11, July 21, July 14, July 24, July 25, Aug 4, July 28, Aug 7, Aug 8, Aug 18.



SHARE PRICE MOVEMENTS IN REAL TERMS
FT Actuaries ALL-SHARE Index Adjusted for Inflation

WEEKLY PRICE CHANGES

Table showing weekly price changes for various commodities like Metals, Grains, and Oils. Columns include Commodity, Latest price, Change, and 1986 High/Low.

INDICES

Table of market indices including Reuters, Dow Jones, and Coffee. Columns include Index Name, Date, and Value.

COFFEE

Overnight reports of lack of rainfall in Brazil's coffee growing areas created a large volume of buying, says a steady rise in prices paid to U23 and what selling appeared was easily absorbed.

Standard Chartered active

Standard Chartered continued to attract a sizeable two-way business awaiting the outcome of the hostile £3.5bn takeover bid from Lloyds Bank which closes on Monday.

W. H. Smith wanted

Leading Retailers finished a lacklustre week on a quietly mixed note. W. H. Smith's share-exchange offer from Greycost worth some £120m; the letter reacted on the news to close 20p at 254p.

ALUMINIUM

Official closing (am): Cash 748.9 (745.5-7), three months 774.5 (751.1-5), settlement 748 (746). Final carb close: 758.9. Turnover: 11,850 tonnes.

ZINC

Official closing (am): Cash 527.8 (510-10.5), three months 527.8 (512.5-15), settlement 527.8 (525.0-10). Final carb close: 530.1. Turnover: 12,450 tonnes.

COPPER

Official closing (am): Cash 892.5-3.5 (883.5-7), three months 922.5 (912.5-15), settlement 892.5 (883.5-7). Final carb close: 895.9. Turnover: 8,250 tonnes.

GOLD

Cold rose just 5c an ounce from Thursday's close in the London bullion market yesterday to finish at 347.75, 348p. The metal opened at 347.75-348 and settled at 347.75-348.

GAS OIL FUTURES

Table of Gas Oil Futures prices for various months. Columns include Month, Yesterday's Close, and Business Done.

MEAT

MEAT COMMISSION-Average price of representative market cuts: CB-Grocery 180.25 per kg set d w (+14.33). GB-Grocery 171.91 per kg w (+0.51).

SUGAR

LONDON DAILY PRICE-Raw sugar \$120.00 (27.00), down 3.50p (down 1.00p). White sugar \$195.00, down \$4.00.

LEAD

Official closing (am): Cash 245.25-7 (245.7-7), three months 250.5 (235.0-5), settlement 247 (247). Final carb close: 250.1. Turnover: 9,250 tonnes.

SOYBEAN MEAL

Resourcing reports by the PMB regarding the rumoured drop in acreage planted in the US had little effect on soybean prices which were mostly steady.

POTATOES

Resourcing reports by the PMB regarding the rumoured drop in acreage planted in the US had little effect on potato prices which were mostly steady.

LIVE CATTLE

Table of Live Cattle prices for various months. Columns include Month, Yesterday's Close, and Business Done.

BECHAN IMPROVE

The miscellaneous industrial shares passed a quiet trading session, but Bechem's share price improved following US support improving to close 9p higher at 435p.

NICKEL

Official closing (am): Cash 2250-6 (2255-7), three months 2200-2 (2205-5), settlement 2250 (2250). Final carb close: 2250. Turnover: 582 tonnes.

COCOA

Futures traded in fits and starts with volume of trade light and values easing to close 20c in the near but only marginally lower on the forward positions.

OIL

15-day Brent weakened a further 20c to 110.00, a low for a week of steadily rising prices and very active trade.

FREIGHT FUTURES

Table of Freight Futures prices for various months. Columns include Month, Yesterday's Close, and Business Done.

SILVER

Silver was fixed 1.55p an ounce higher for spot delivery in the London bullion market yesterday at 334.15p. US cent equivalents of the fixing levels were: spot 308.25p, up 0.15c; three-month 314.25p, up 0.15c; one-month 338.4p, down 0.1c. The metal opened at 334.25p (338-30c) and closed at 335-30p (300-80c).

RUBBER

PHYSICALS-The London market opened slightly easier, attracted little interest throughout the day and closed idle, reports Lewis and Past. Closing prices (Bussan): Spot 57.50p (57.00p); 1 month 57.50p (57.00p); 3 months 57.50p (57.00p).

TRADED OPTIONS

For the third successive session, business in Traded Options was dominated by British Telecom. Operators displayed sizeable interest with 4,732 calls done, the August 300s and February 180s accounting for 1,774 and 1,500 trades respectively; BT also recorded 870 puts. Hanson 1750 calls and 675 puts traded amounted to 15,000.

TRADITIONAL OPTIONS

First Last For Deal- Declara- Settling- ings tion ment July 31 July 13 Oct 9 Oct 20 July 21 Aug 1 Oct 23 Nov 3 Aug 4 Aug 15 Nov 8 Nov 17 For rate indications see end of 'Unit-Trust Service'

STOCK EXCHANGE DEALINGS

Details of business shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

W-Y-Z

WYI Hedges 100pcpl £11 100 (87)
WYI Hedges 100pcpl £11 100 (87)
WYI Hedges 100pcpl £11 100 (87)

UNLISTED SECURITIES MARKET

Accord Publications £50 149 51
Accord Publications £50 149 51
Accord Publications £50 149 51

FINANCIAL TRUSTS

Canadian Pacific £27 250 Acencom
Canadian Pacific £27 250 Acencom
Canadian Pacific £27 250 Acencom

RAILWAYS

Canadian Pacific £27 250 Acencom
Canadian Pacific £27 250 Acencom
Canadian Pacific £27 250 Acencom

SPECIAL LIST

Barclays Bank £100 100 (87)
Barclays Bank £100 100 (87)
Barclays Bank £100 100 (87)

CORPORATION & COUNTY

Greater London Council 84pc 1900-02
Greater London Council 84pc 1900-02
Greater London Council 84pc 1900-02

UK PUBLIC BONDS

Agricultural Mortgage Corp 5.5pc 1985-90
Agricultural Mortgage Corp 5.5pc 1985-90
Agricultural Mortgage Corp 5.5pc 1985-90

FOREIGN STOCKS

Equity National Republic of Ireland
Equity National Republic of Ireland
Equity National Republic of Ireland

CORPORATIONS-Foreign

Santos City 10pc 1985-90
Santos City 10pc 1985-90
Santos City 10pc 1985-90

STERLING ISSUES BY OVERSEAS BORROWERS

American International Inc 12.5pc 2009
American International Inc 12.5pc 2009
American International Inc 12.5pc 2009

BANKS, DISCOUNT

Bank of Ireland 7.5pc 1988-91
Bank of Ireland 7.5pc 1988-91
Bank of Ireland 7.5pc 1988-91

BREWERIES

Allied-Lions 5.5pc 1985 53 4 71pcpl
Allied-Lions 5.5pc 1985 53 4 71pcpl
Allied-Lions 5.5pc 1985 53 4 71pcpl

G-H

General Electric 7.5pc 1987-92 230
General Electric 7.5pc 1987-92 230
General Electric 7.5pc 1987-92 230

NEW HIGHS AND LOWS FOR 1986

Corporation Loans (1) LCC 5pc 1986-7
Corporation Loans (1) LCC 5pc 1986-7
Corporation Loans (1) LCC 5pc 1986-7

MINES-MISCELLANEOUS

Anglo American 10pc 1985-90 230
Anglo American 10pc 1985-90 230
Anglo American 10pc 1985-90 230

SOUTH AFRICAN

Anglo American 10pc 1985-90 230
Anglo American 10pc 1985-90 230
Anglo American 10pc 1985-90 230

PROPERTY

Alliance Prop 5pc 1985-90 230
Alliance Prop 5pc 1985-90 230
Alliance Prop 5pc 1985-90 230

FINANCIAL TIMES STOCK INDICES

Table with columns: Index Name, July 11, July 10, July 9, July 8, July 7, 1986 High, 1986 Low, 1985 High, 1985 Low. Includes Government Sec, Bond Index, Ordinary, Gold Mines, Div. Div. Yield, Earnings Yld, P/E Ratio, Total Returns, Equity Turnover, Equity Beta, Shares Traded.

YESTERDAY'S ACTIVE STOCKS

Table with columns: Stock Name, Closing Price, Day's Price Change, Closing Price, Day's Price Change. Includes Anglo Inv, Anglo Inv, Anglo Inv, Anglo Inv.

THURSDAY'S ACTIVE STOCKS

Table with columns: Stock Name, Closing Price, Day's Price Change, Closing Price, Day's Price Change. Includes Anglo Inv, Anglo Inv, Anglo Inv, Anglo Inv.

5-DAY ACTIVE STOCKS

Table with columns: Stock Name, Change, Change, Change, Change, Change. Includes Anglo Inv, Anglo Inv, Anglo Inv, Anglo Inv.

LEADERS AND LAGGARDS

Table with columns: Sector, Change, Change, Change, Change, Change. Includes Metals, Metals and Metal Forming, Textiles, Industrial Group, etc.

Public Works Loan Board rates

Table with columns: Years, by EPP, by EPP, by EPP, by EPP, by EPP. Includes Over 1 up to 2, Over 2 up to 3, etc.

NEW LOWS (30)

Table with columns: Stock Name, Price, Price, Price, Price, Price. Includes Anglo Inv, Anglo Inv, Anglo Inv, Anglo Inv.

Granville & Co. Limited

Table with columns: Stock Name, Price, Price, Price, Price, Price. Includes Anglo Inv, Anglo Inv, Anglo Inv, Anglo Inv.

REINSURANCE

The Financial Times proposes to publish a survey on the above subject on Monday 8th September 1986. For details of advertising rates, please contact: Nigel Pullman, Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY. Tel: 01-248 8000, Extn. 4063. Publication date is subject to change at the discretion of the Editor.

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Financial Times Saturday July 12 1986 LONDON RECENT ISSUES

FT UNIT TRUST INFORMATION SERVICE

Table with columns: Name, Price, Change, % Change. Section: EQUITIES

Table with columns: Name, Price, Change, % Change. Section: FIXED INTEREST STOCKS

"RIGHTS" OFFERS

Table with columns: Name, Price, Change, % Change. Section: "RIGHTS" OFFERS

Financial Times recently has published a detailed guide to unit trusts...

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., Last, Bid, Ask, Stock. Section: EUROPEAN OPTIONS EXCHANGE

BANK RETURN

Table with columns: LIABILITIES, ASSETS. Section: BANKING DEPARTMENT

ISSUE DEPARTMENT

Table with columns: LIABILITIES, ASSETS. Section: ISSUE DEPARTMENT

AUTHORISED UNIT TRUSTS

Main table listing various unit trusts with columns: Name, Price, Change, % Change. Includes sub-sections like 'BANKING DEPARTMENT' and 'ISSUE DEPARTMENT'.

AUTHORISED UNIT TRUSTS & INSURANCES

Table listing various unit trusts and insurance products, including 'Wardley Unit Trust Managers Ltd', 'Wardley Fund Managers Ltd', and 'Wardley Asset Management Ltd'. Columns include company name, address, and contact information.

Table listing unit trusts under 'London & Manchester Group' and 'Wardley Unit Trust Managers Ltd'. Columns include trust name, address, and contact information.

Table listing unit trusts under 'Wardley Unit Trust Managers Ltd' and 'Wardley Fund Managers Ltd'. Columns include trust name, address, and contact information.

Table listing unit trusts under 'Wardley Unit Trust Managers Ltd' and 'Wardley Fund Managers Ltd'. Columns include trust name, address, and contact information.

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Additional text at the bottom of the page, including a handwritten signature 'John Smith' and other small notices.

Handwritten signature or logo at the top right of the page.

INSURANCE, OVERSEAS & MONEY FUNDS

Main table containing financial data for various insurance, overseas, and money funds. Columns include fund names, descriptions, and numerical values.

MANAGEMENT SERVICES

OFFSHORE AND OVERSEAS

Money Market Trust Funds

Money Market Bank Accounts

NOTES

TRADITIONAL OPTIONS

Vertical text on the left margin, possibly a sidebar or advertisement.

Vertical text on the right margin, possibly a sidebar or advertisement.

LONDON SHARE SERVICE

ENGINEERING-Continued

Table of share prices for various engineering companies, including firms like BHP, British Steel, and various industrial groups.

DRAPERY & STORES-Cont.

Table of share prices for drapery and retail stores, including companies like Debenhams, Marks & Spencer, and others.

ELECTRICALS

Table of share prices for electrical companies, such as British Thomson-Houston and others.

BUILDING, TIMBER, ROADS-Cont.

Table of share prices for building, timber, and road construction companies.

CHEMICALS, PLASTICS

Table of share prices for chemical and plastic companies.

DRAPERY AND STORES

Table of share prices for drapery and retail stores.

BUILDING, TIMBER, ROADS

Table of share prices for building, timber, and road construction companies.

AMERICANS-Cont.

Table of share prices for American companies listed in London.

CANADIANS

Table of share prices for Canadian companies listed in London.

BANKS, INS & LEASING

Table of share prices for banks, insurance, and leasing companies.

BEERS, WINES & SPIRITS

Table of share prices for beer, wine, and spirit companies.

BUILDING, TIMBER, ROADS

Table of share prices for building, timber, and road construction companies.

BRITISH FUNDS

Table of share prices for various British investment funds.

INDEX-LINKED

Table of index-linked share prices.

INT. BANK AND SECURITIES

Table of international bank and securities prices.

CORPORATION BONDS

Table of corporation bond prices.

FOREIGN EXCHANGE

Table of foreign exchange rates.

COMMODITIES

Table of commodity prices.

Handwritten signature or note at the bottom of the page.



LEISURE - Continued. Table listing various leisure and entertainment stocks with columns for stock name, price, and volume.

PROPERTY - Continued. Table listing real estate and property-related stocks with columns for stock name, price, and volume.

INVESTMENT TRUSTS - Cont. Table listing investment trusts with columns for stock name, price, and volume.

FINANCE, LAND - Cont. Table listing finance and land-related stocks with columns for stock name, price, and volume.

MINES - Continued. Table listing mining stocks with columns for stock name, price, and volume.

DIAMOND AND PLATINUM. Table listing diamond and platinum stocks with columns for stock name, price, and volume.

MOTORS, AIRCRAFT TRADES. Table listing motor and aircraft trade stocks with columns for stock name, price, and volume.

COMMERCIAL VEHICLES. Table listing commercial vehicle stocks with columns for stock name, price, and volume.

SHOES AND LEATHER. Table listing shoe and leather stocks with columns for stock name, price, and volume.

SOUTH AFRICANS. Table listing South African stocks with columns for stock name, price, and volume.

TEXTILES. Table listing textile stocks with columns for stock name, price, and volume.

TOBACCO. Table listing tobacco stocks with columns for stock name, price, and volume.

INSURANCE. Table listing insurance stocks with columns for stock name, price, and volume.

PROPERTY. Table listing property stocks with columns for stock name, price, and volume.

TRUSTS, FINANCE, LAND. Table listing trusts, finance, and land stocks with columns for stock name, price, and volume.

PLANTATIONS. Table listing plantation stocks with columns for stock name, price, and volume.

OVERSEAS TRADERS. Table listing overseas trader stocks with columns for stock name, price, and volume.

REGIONAL & IRISH STOCKS. Table listing regional and Irish stocks with columns for stock name, price, and volume.

NOTES. A section containing various financial notes, disclaimers, and market information.

RECENT ISSUES & "RIGHTS" PAGE 13. A section providing information about recent issues and rights pages.

FOR ALL YOUR COMMERCIAL PROPERTY, PHONE: 0800 83 33 83

FINANCIAL TIMES

Saturday July 12 1986

Impeccable timing

BAUME & MERCIER GENEVE 1830

Machel encourages Howe mission

By Michael Holman in Maputo

THE FIRST encouraging note on the South African peace initiative of Sir Geoffrey Howe...

attempt to start political dialogue in South Africa as futile. Officials say President Machel's possible role is that of an intermediary...

BT has wide range of options for phone call charges

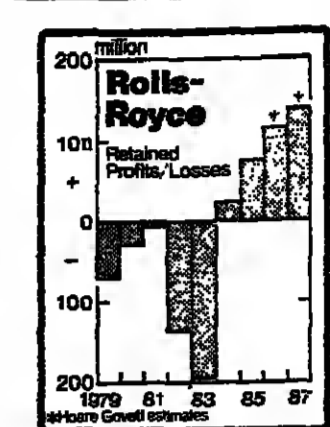
By Guy de Jonquieres

BRITISH TELECOM faces a confusing range of possibilities over the prices of inland telephone calls for the coming year.

THE LEX COLUMN

Rolls raises the bread

Index fell 3.3 to 1337.3



The days when a state company could take on private ownership merely by jettisoning its inflation accounting are well and truly past...

progressive interest-rate reduction, the consequences for profitability may be quite unpleasant. It is certainly not easy to see the kind of growth in equity earnings that might explain the rising prices on the Tokyo market...

Enterprise Zones management criticised

By Robin Pauley

THE Environment Department has been strongly criticised for failing to manage spending on Enterprise Zones which are a key element to the Government's experiments in urban regeneration.

Socialists refuse to take part in Andreotti's new government

By Alan Friedman in Rome

ITALY'S political crisis deepened yesterday when the Socialist Party led by Mr Bettino Craxi...

formal consultations on Monday. Mr Craxi said yesterday: 'The crisis has been pushed into a dead end street. We will do all we can to find a way out, but it will not be easy.'

Greycoat Group in £111m bid

By Charles Batchelor

GREYCOAT GROUP, the rapidly expanding property development company, yesterday launched a £111m takeover bid for Property Holding and Investment Trust...

Continued from Page 1 Inflation

The Tax and Price Index, which measures the increase in pre-tax earnings needed to compensate a worker for price rises, dropped last month to show an annual rate of increase of 0.6 per cent...

CHIEF PRICE CHANGES YESTERDAY

Table with columns for various commodities and their price changes (up/down).

Continued from Page 1 Prime rates cut

banks' sharply reduced funding costs. Since the prime rate was last cut in late April in the wake of one of the Fed's discount rate reductions...

WORLDWIDE WEATHER

Table showing weather conditions for various cities worldwide.

Continued from Page 1 Lloyds

In an appeal to the Takeover Panel, Lloyds unsuccessfully sought to have the investors deemed to be acting in concert. According to a Lloyds spokesman...

Advertisement for AMF Legg Division of A.M.F. International Limited, featuring the company logo and details of a management buy-out.

Small text at the bottom right of the page, possibly a reproduction notice or contact information.

WEEKEND FT

Saturday July 12 1986

MARKETS • FINANCE & THE FAMILY • PROPERTY • TRAVEL • MOTORING • DIVERSIONS • HOW TO SPEND IT • BOOKS • ARTS • TV

EMILIO SALGADO is still fighting the Spanish Civil War. Or so he likes to say. He has spent 20 years in more Spanish prisons than he can remember, and 20 more in exile in France, thinking about Spain. But he will not return to his native country. Even though democracy is back and his own party is now in power...

Years after the Spanish Civil War began, David White reports on its legacies and meets the veterans who are still living in exile. This dimension of Spain's tragedy, quite apart from the toll of victims (historians still argue about the numbers but perhaps 600,000 were killed in the war or executed afterwards, and another 500,000 forced to flee the country), sets it apart from any other modern civil conflict in a Western country.

Years after the Spanish Civil War began, David White reports on its legacies and meets the veterans who are still living in exile

For whom the bell tolled



He complains that ordinary Spaniards nowadays have no political education, no solidarity. "When we go back to our pueblo, we can't talk about anything. We talk about the weather. Other people say we are trying to re-live the traumas." In Spain, the post-Franco transition has seen the virtual disappearance of militant Republicanism. In the spirit of conciliation—literally, living together—it was one of the things that needed to be buried. For the exiles, it is what kept them going while the other side kept them out. They are glad now for Spain's democracy and accept King Juan Carlos—Franco's chosen heir—for what he has been able to achieve. But that does not make them Moderates.

ground on the eastern side of the Rock. Ye Olde Rock pub in Gibraltar has a picture of the destroyer, the José Luis Díez. There they tell the tale of how a Spanish marines fired a warning signal to alert the Nationalists when the destroyer slipped out of harbour at night and how a seaman was put down on a buoy in the harbour with a light as a decoy, fell off the buoy, lost his light and spent the rest of his life in the British colony. Sino rejoined the navy in Republican territory, found himself in Tunis the day the war ended, was interned in a camp, went through the German occupation of Tunisia, moved to Algeria, married his second wife in Oran and went to France in 1949, where he learnt a new trade as furniture restorer. The Simos live in a cramped flat on a French pension. One day he may get a pension from Spain. After Franco's death, pension arrangements were made for members of the regular armed forces who stayed loyal to the Republic. Last year the measure was extended to 60,000 others who joined up on the Republican side during the war. They can even wear their medals. But the authorities have apparently not yet got around to political commissars. One of the predicaments of post-Franco Spain has been over reinstating the legitimacy of the Republic. Franco built his own war monument, but not until last year, on the 10th anniversary of the king's reign, was a memorial dedicated to the victims of both sides. Churches bear plaques listing just the Nationalist dead, "fallen for God and Spain." On the walls of many, such as Salamanca Cathedral, painted inscriptions preserve the memory of José Antonio Primo de Rivera, the charismatic founder of the fascist Falange, who was shot in 1936. (Madrid's Gran Via bore his name during the dictatorship. In the war the defenders had temporarily re-baptised it Avenida de Rusia. It is now Gran Via again.) On one side of the government buildings known as the New Ministries there is a horseback statue of Franco, with no name (everyone knows who it is). On another side, a statue has been erected to the bardine Socialist leader, Francisco Largo Caballero, but it mentions only that he was Labour Minister in 1931-33, not that he was a Prime Minister of the Republic during the civil war. The Civil War Room in Madrid's Army Museum is a shrine to one side, where Franco's campaign is still referred to as "the crusade." In the past few months, however, references to the Republicans as "the enemy" have been discreetly removed, and "the war of Liberation" replaced by "the war of 1936-39." Although the Nationalists took ample and terrible revenge in terms of atrocities, an issue is still made of the revolutionary excesses of the left. A beatification process for three Carmelite sisters murdered in Guadalupe in 1936 (among about 7,000 priests, monks and nuns who were victims of leftist rampages) has been going on for years. It was held up under Pope Paul VI but has since been resumed. He left to become a political commissar in the navy. His job was to keep the crew in the mind for fighting. In 1938 he was assigned to a destroyer in the Atlantic, cut off from the Republic's Mediterranean base of Cartagena. They made two attempts to run the Nationalist blockade of the Strait. The first ended in Gibraltar harbour, where they were allowed to repair. The second ended

Nowadays, children of both sides meet with no concern as to whose family stood where. But some divisions remain among the older generation. Two cousins living next door to each other do not speak because the father of one was suspected of having denounced the father of the other. A pensioner feels he can never return to his home village. A Basque exile has lost touch with cousins who were on "the other side." Middle-class families were often caught up on both sides. One example is the family of Juan Antonio Ruiz de Alda vice-governor of the Bank of Spain. His father, an aviator and leading early Falangist, was killed by the Republicans. His maternal grandfather, an admiral was killed by the Nationalists. Spain looks back at its war rather like someone who had a fit of madness he would rather forget. How, people wonder, did it come to that? How did the extremes take hold? "There is no country," says Di Martínez Cobo, "where one half is ready to die for one side and the other half for the other." Few feel about it like Wenceslas Antolin, a wartime messenger now in Toulouse. "The three war years were the best in my life," he remembers. "They gave me a new motor-bike. I was 25 and free. What could be better? Bombs! What fun! I played cat and mouse with the bombs on my bike." Such nostalgia is rare. It is more common to find people who, perhaps because of the material hardships that followed, simply do not want to talk about the period. Explicitly or not, the war is there as a constant reference. Felipe Gonzalez, the Prime Minister (who took the Socialist Party leadership out of the hands of the exiles), alluded repeatedly during this year's election campaign to the mistake of trying to go too fast, as the Socialists did in the 1980s. "We will not make mistakes like that again," he said. The shadow of the war is there in the cautious way Spaniards vote, in the low level of party militancy, in the depoliticisation that the Franco regime brought. It sometimes seems as if there were a conspiracy against having a confrontation. The red-yellow-and-purple Republic flag is still taboo. Training in the Spanish Army continues to be largely based on principles from the civil war. Full-dress uniforms for army officers (they are due to be changed) will feature a clasp with the inscription "1936-1939." Sensitivity among the military is the main reason Mr Gonzalez is reluctant to stage an official ceremony. The rebellion was their one great modern triumph, erasing the humiliations of Spain's historical campaigns. But the soldiers who thought they were the winners of the civil war have had to watch much of what they stood for being overturned in the last 10 years. Issues that were central to the Nationalist cause—the role of the Roman Catholic Church, the unity of Spain versus regional home-rule, property rights—have been resurrected. The Church had its official status restored by Franco; it has now lost it, lost battles over divorce and abortion, and lost much of its say in education. Franco suppressed regional autonomy; autonomy statutes are back in force. Franco over-ruled land reform; agrarian reform, in a milder version, is once again causing controversy in the south. In the end, did they win the war? And if not, who did? In Toulouse, the émigrés have long since agreed on the answer to that riddle. "Everybody lost."

THE BRITISH have never been accused of nursing a penchant for ideology. Perhaps that is why, in economic policy, ideological rhetoric seems so often at odds with simple arithmetic. Take the last Labour government. In the panicky days of the mid-1970s when the stock market was crashing and Tony Benn could still inspire fear in the heart of the average capitalist, Denis Healey made a memorable jibe about squeezing the rich until the pips squeaked. Official statistics have since allowed us to calculate that in each successive year between 1978 and 1979 capital taxes fell as a percentage of the government's total tax revenues. That period coincided with the first leg of one of the biggest bull markets in recent history. And the Labour government, also failed, to fulfil promises to introduce a wealth tax. Small wonder that the Press described Mr Healey, after several of his numerous budgets, as "the best Tory chancellor we have got." In the Tory canon the ideological counterpart of seeking the rich to fund the promotion of popular capitalism. Yet here again, after seven years of Mrs Thatcher, it is far from clear that the Government is wholeheartedly committed to the cause, peace shareholders in British Telecom.

The results of the Government's efforts to promote private ownership fall well below anything that could be called popular capitalism, says John Plender. figures in the 8 to 8 1/2 per cent range, which implies that nothing much has changed. The debate on methodology can safely be left to the researchers. My own hunch is that the numbers probably have increased to reflect both the Government's efforts to promote private share ownership through the privatisation pro-

grams and the growth of employee share ownership schemes; but that the result falls well short of anything that could be called popular capitalism. For when it comes to the real test of the Government's commitment—the readiness to divert savings away from the pension fund giants back into the hands of private individuals—the Government has, until now, remained firmly on the side of the big battalions. Consider the official figures. In every year between 1979 and 1985 private individuals were consistent net sellers of British company securities. Only in the second quarter of 1985 did they actually buy more than they sold. And they disposed of more than \$20bn-worth of stocks and shares, net, during that period. True, these figures are calculated as a residual of the transactions of the other main sectors of the economy. But even allowing for a measure of unreliability, the consistency of the trend and the size of the numbers leaves little room for doubt. The statistics of the personal sector's total holding of assets confirm the picture. While private individuals' holdings of British ordinary and preference shares went down from 12.2 per cent to 11.3 per cent of their total financial assets between 1979 and 1985, their interest in insurance and pension fund contracts went up. In round figures, from \$2 to 42 per cent. A Tory might object that statistics are about history and that the Government is now striking out into sounder ideological territory. We have Lawson's Personal Equity Plans, Fowler's attempts to personalise occupational pensions, Walker's privatisation of British Gas, with which the Government hopes to ensure up to 5m shareholders. Well, maybe. But in truth the Chancellor's Personal Equity Plan is a Treasury mousetrap, designed to counter a small benefit on the small

splitter party which—equally to his disgust—has allied itself with the Communists. His story starts in Cullera near Valencia, now a prosperous place very different from when he knew it. In the beginning of the war he joined a battalion to fight the Nationalists on the Teruel front but became sickened when fellow militiamen killed the nuns who ran a local school. "I was friendly with them and respected them. I did not accept that things like this should happen." He left to become a political commissar in the navy. His job was to keep the crew in the mind for fighting. In 1938 he was assigned to a destroyer in the Atlantic, cut off from the Republic's Mediterranean base of Cartagena. They made two attempts to run the Nationalist blockade of the Strait. The first ended in Gibraltar harbour, where they were allowed to repair. The second ended

The Long View

On the side of the big dividends



The results of the Government's efforts to promote private ownership fall well below anything that could be called popular capitalism, says John Plender.

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Unit Trust performance for the twelve months to 1st July.

Table with 3 columns: Trust, Percentage increase in value, Position in sector. Rows include Japan, Worldwide Recovery Pacific, International, Income & Growth, European, U.K., Practical High Income, American.

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MARKETS

Sanctions costly - if they stick

GAVIN KELLY, chairman of the big Anglo-American Corporation of South Africa, has added his views to the current debate as to whether economic sanctions should be applied to the country as a means of replacing its apartheid system with a genuine democracy.

South Africa is also the world's biggest producer of gold, and this week the June quarterly reporting season has been opened, as usual, by the companies in the Consolidated Gold Fields group.

Mining

There were financial year-end rises in their tax-offsetting capital expenditure. Tax charges fell accordingly and the companies ended up with higher net profits.

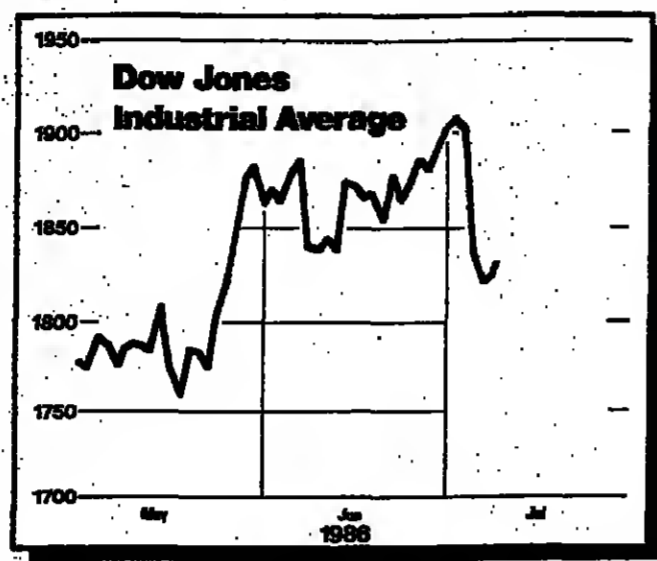
The hangover of the century

WHAT A PARTY! The July 4th celebrations were even better than expected, but the morning after was something else.

The Dow Jones Industrial Average plunged by a record \$1.57 points on Monday, wiping a cool \$74bn off the value of the market.

before recouping some of its losses in one of the heaviest trading sessions ever. By Tuesday evening the index was 80 points below last week's peak.

All of a sudden the 2000 level on the Dow looks a very long way away and this week traders have been wondering whether the market will be able to stabilise above the 1800 level or will have to go lower.



Wall Street

hitting new peaks indicates that the stock market advance is being fuelled by fewer and fewer shares, which also worries the technicians.

Several of Wall Street's leading market technicians—the people who rely on share price charts rather than underlying fundamentals to tell which way the market will go—had been saying for some time that the market was looking increasingly precarious at last week's rarified levels.

Following Mr Nakasone's landslide victory in the Japanese elections the US dollar plunged to a post-war low of ¥158.20 in Tokyo on Monday.

It recovered later in the week, but traders are waiting to see what happens in the aftermath of Thursday's half point cut in the US discount rate to 6 per cent.

This is the third time the discount rate has been cut this year, and while the reduction was not unexpected given the sluggishness of the economy, the timing of the drop has

raised some eyebrows. The Federal Reserve has been under considerable pressure to cut interest rates and there is a feeling in some quarters that it is bowing to pressure from the White House, which is keen to have the economy firing on all cylinders in the run-up to the Senate elections this winter.

Even if this is not correct the Fed's decision to cut the rate now, rather than wait for Japan and Germany to do theirs, could make the US dollar even more vulnerable. M Volcker has repeatedly warned about the dangers for the US economy and interest rates if the slide in the dollar gets out of hand.

Yet this week he raises the stakes by agreeing to cut the discount rate and appear to be backing the government gamble on a threatened further sharp decline in the dollar to force Germany and Japan to reflate their economies.

Monday 1839.90 -61.6  
Tuesday 1826.73 -18.2  
Wednesday 1826.07 +5.3  
Thursday 1831.83 +5.7

William Hall

Runaway index not caught

THE STAYING power of this year's Tokyo stock market rally continues to astonish. Investors shrugged off Moody's record slump on Wall Street, and sent the TSE stock average to a new record high of 17,734.15.

Tokyo

last Sunday's national election, except in a brief fall on Wednesday following a rather far-fetched Press report that a stiff austerity budget was on the way.

By yesterday, though, the festive mood had returned, and the US discount rate cut, which should be a negative factor for Japan, was simply brushed aside. The TSE gained 200.95 points to close the week at 17,670.77, roughly 35 per cent higher than it was at the beginning of the year.

So where does the market go from here? Anyone looking at the TSE chart might be inclined to take the money and run; they would be reinforced in that view by the sight of more and more poor results coming from manufacturing companies lulled by the high yen.

Yesterday Kibota, the big farm equipment maker, reported that its net income last year was half that of the previous year.

But investors who acted on the impulse to take profits three months ago are now inclined to have more respect for those who argue the case about the enormous demand pull in this market.

Japan has long had investing institutions with huge cash flows for investment. Now they are joined by many industrial companies that have big surpluses and are nervous about investing it in new capacity because of the uncertain outlook for the competitiveness of Japanese products in international markets.

Then there are the foreign investors, for them, even if Japanese shares don't rise that rapidly any more, the probable currency gain will top up the return when expressed in dollars or pounds.

So one strategy that can be seen in the market is a rush for shares which, while they may not have much to offer in

the way of earnings, seem to carry little downside risk.

One such is Ishikawa Jima-Harima heavy industries (IHI), the shipbuilding and heavy engineering group. IHI may be in a shipbuilding morass, but it will benefit from the government's plan to close most of the country's yards. Indeed, one IHI yard is on an island just off central Tokyo and could be turned into a profitable commercial development, especially if, as many believe, interest rates will soon be cut.

Surprisingly, the search for security even extended yesterday to export sensitive blue chips, such as Toshiba, Hitachi and Matsushita.

A more obvious strategy is to go for civil engineering and other shares that stand to benefit from the much-mooted reflation package expected from the new government in the autumn. Chugoku Electrical Construction and Shikoku Electrical Construction hit all-time highs this week. Ohbayashi, one

of the top five civil engineering contractors, has been another recent favourite.

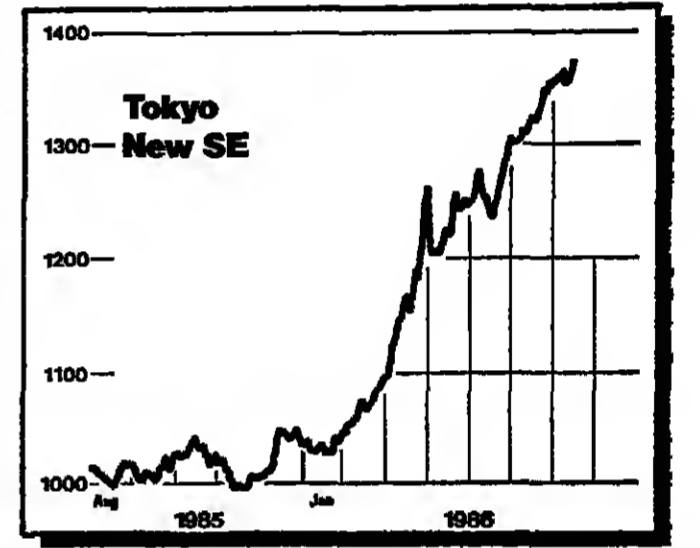
There is still considerable debate about how generous the reflation package will be. Some argue that Mr Nakasone, the Prime Minister, fortified by the strong mandate in last Sunday's election, will stick to his preference for relying on the private sector. Others say the result will strengthen the ruling party in its struggle with the bureaucrats over the direction of the economy.

Another investing strategy, which may reflect increasing nervousness about the future course of the market, is to concentrate on the few highly liquid or so-called "large capital" issues. An indication of the intensity of this action emerged on Thursday when the 10 most active stocks accounted for nearly two thirds of the entire volume of trading on the day.

The names on that list—Nippon Steel, Nippon Kokan, IHI and many other lacklustre companies, suggests to some

analysts that investors have run out of ideas, and the market is at long last peaking; but few would risk making such a prediction openly.

Ian Rodge



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# Know your pension

TEN MILLION employees will rely on their employer for the bulk of their income in retirement through the medium of an occupational pension scheme.

Yet how many of those employees really understand their pension scheme—the level of benefits it will provide for and, above all, what would happen should the scheme be wound up?

Until now, the amount and style of information provided to employees on their pension rights and expectations has depended entirely on the goodwill of the employer some of whom are good at giving information; if only to ensure that employees appreciate what is being done for them.

Other employers feel that providing information is not worth the cost and in any event would not receive a positive enough response from the employees.

Now the position changes. From November 1 employers will be obliged to provide basic information on their schemes to employees as routine, while employees and their trade union representatives will be entitled to receive much more information on request.

These rights are embodied in Regulations to the 1985 Social Security Act and represent the culmination of years of discussion by various government departments on the subject of disclosure. For once, the Government has listened to the pensions industry and seems to have got the balance about right—not too little information and not too much.

Employees need to be told when they start a new job about the level of benefits provided by the scheme. A 25-year-old

## Eric Short reports on new regulations that help employees

may not appreciate being told what pension he will receive at 65, but he will certainly be concerned as to what pension contributions are deducted from salary (and what his employer is paying) and he ought to be interested in what his wife and young family would receive should he have a losing argument with a bus in the near future.

But when that employee eventually reaches retirement, he will be very interested in the amount of his pension and how much he can convert into tax free cash.

Should he or she be so unfortunate as to die before retirement, then the spouse and any other beneficiaries should be informed as soon as possible as to the amount of benefit payable. All this information will have to be provided, as of right, by the trustees to the pension scheme.

The normal working employee, however, is only entitled to be told what his accrued and prospective benefits are likely to be if he specifically asks for this information. And he is only entitled to ask once a year.

Restricting benefit statements to once a year will rule out frivolous enquiries. But most trustees will find it administratively convenient to discharge this obligation by issuing all employees with benefit statements annually, even if most of the statements end up in the waste bins.

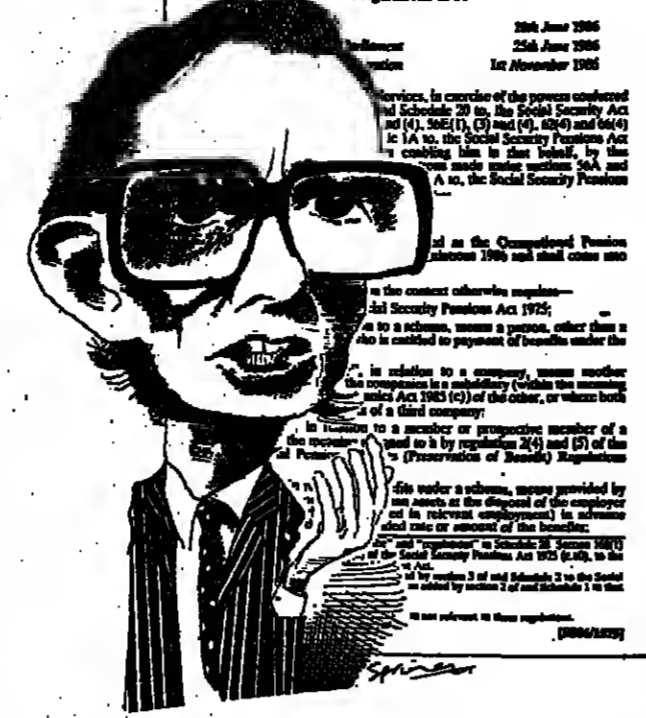
In all the discussions on disclosure, Labour and Conservative governments laid great emphasis on giving all employees full details of the financial state of the funds. But the relevance of providing such information for pension schemes with benefits based on final salary has never been adequately considered, nor has the ability of employees to understand complex and obscure documentation.

Under final salary schemes, the benefit is laid down in terms of an employee's salary at or near retirement. The investment performance will only affect that benefit in so much as a poor performance could jeopardise the ability of the scheme to meet its commitments in the event of a company's financial weakness.

The Government has listened to the arguments of the pensions industry. The rule is that trustee annual reports, including the accounts, investment report and actuary's report are available to be inspected at a reasonable place free of charge. Employees can also ask for a copy of the report at "a reasonable charge." This right does not apply to public service employees whose pension scheme is guaranteed by the Government.

If an employee is considering changing jobs then he can ask for an estimate of the amount of the transfer value of his accrued deferred pension.

The regulations set out the form in which financial information is provided. As far as employees are concerned the most relevant information is the actuary's statement on the ability of the pension scheme to meet its liabilities in both the short and the long term



and what is being done to cover any shortfall.

Finally, if the pension scheme is about to be wound up employees must be informed about their benefits, and advice must be given as to where information can be obtained after the winding-up.

Events over the years with schemes being wound up after a takeover or merger have shown that employees are often left completely in the dark for many months about what is happening.

This move will not solve the problem of the poor level of benefits paid by most schemes on wind-up. But it will give

employees an early warning of the situation and will give them time to organise and bargain for better benefits.

The regulations in many cases do not lay down how the information is to be presented. Wisely it is left to trustees and employees to discuss the best means of providing information.

Next week, an article will review what should be contained in a benefit statement, with a discussion of an actual benefit statement from a major pension fund.

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# Hooked by the oilmen

We are by deed of covenant, obliged to take our supplies of oil from a gravity feed system from a central tank.

Although we are able to switch to other sources of fuel (eg coal, electricity, calor gas—the village has no cows) as for as oil is concerned we are captive customers.

For the past few years we have monitored the prices we pay when compared with the prices paid by customers with their own tanks. Between 1983-86, we have paid an average premium of 7p. We accept the supplier has to recover the cost of the system (now over 15 years old), administration (invoices, meter reading) and interest on capital tied up in oil storage. Their village has no cows (so no tank feeds about 40 houses) are considerably reduced.

Our supplier, ever anxious to promote its public image has 240 such schemes in the UK, to this must be added schemes owned by other suppliers. So far our supplier has been unmoved by appeals for fairer treatment. What sort of premium do you feel is fair (if any), and what courses of redress do you feel we should now pursue.

Without the full details of the covenants in question we cannot advise you fully. However if the covenants are valid and binding on you it would matter whether or not the price is fair. It may be, therefore, that your case is to resort to publicity for the adverse consequences of entering into a scheme such as you describe, if the supplier will not temper its prices to the market.



false economy when the taxman takes an interest in the transactions. All good solicitors who undertake domestic conveyancing are ready to advise on the tax aspects, as an integral part of the conveyancing service.

You have not given us enough precise data for a really helpful answer — because the rules are more intricate and arbitrary than you probably realise — but you will find general guidance in two free booklets, which are obtainable from your tax inspector's office.

IR11 (1985) — Tax treatment of interest paid.

IR20 (1985) — Residents and non-residents: liability to tax in the UK.

If there are any points in these booklets which you cannot understand, please come back to us. At least they will enable you to see what additional details we should need, in order to help you, e.g. whether the house (and mortgage) is in your name solely and whether (if the house is owned jointly, joint tenants or as tenants in common) your wife pays part of the interest.

serious medical condition. Because of his imminent retirement, he was unable to investigate the matter personally. His successor at the hospital who inherited my case rejected the prognosis given and reported in writing to my general practitioner that he could find nothing wrong with me. Time has revealed that the opinion of his predecessor was in fact correct. Is there anything I can do? Yes, if the error is one which was made negligently and if casual connection can clearly be established, both consultant and the hospital authority would be liable. The prospect of success depends entirely on the strength of the expert evidence which you can muster—in the case you describe that evidence would be directed principally to the reasonableness or otherwise of rejecting the first prognosis. You should consult a solicitor.

## A sham transaction

I am a 76-year-old widower, and have a married daughter and an unmarried son, both in their forties.

My unencumbered house is worth £200,000.

My income is adequate but my liquid position not marvellous.

To reduce my estate and incidentally Inheritance Tax, I contemplate creating a mortgage on my house for £100,000, bearing interest at 1 per cent per annum, in favour of my two children and giving it to them.

Two accountants I have consulted say that this would not be accepted by the Revenue.

Please what is your opinion? The basic law in your scheme is that I will have reserved a benefit to myself if you continue to reside in the house. Indeed if the donees do not intend there it could even be argued that the whole transaction is a sham (and especially so if you forwent the interest).

## Teenagers and credit

The bank with whom my 17 year old daughter has an account asked her what overdraft facilities she required. After her asking for £100 they replied, when realising her age, that the granting of credit to a minor was "illegal." She was led to believe this opinion, per se, was not correct so she sought the bank's specific authority (ie Act) for its decision. The bank replied "under current legislation it is an offence for a person under the age of 18 years to obtain credit." I understand that a minor can be sued for payment of "essentials" (but not non-essentials) and it is perhaps the possible difficulty of recovering the debt by having to prove it was incurred for essentials that makes the bank unwilling to give credit—but are they correct in their opinion that it is an "offence" for a minor to be given credit?

We think that the bank may have had in mind the provisions of the Consumer Credit Act 1974. A distinction must be drawn between a contract to supply essentials—as to which your view is correct—and a contract to lend money in the supply of credit. There are restrictions on the latter in the case of a minor.

## Plea for a flat rate

I own a flat in a block and part of the block is a separate garage which I also own. This is a separate deed for each of the properties.

If I should sell the garage, would the profit I make be subject to Capital Gains Tax or would the garage be considered part of my sole residence and therefore free of tax.

It is likely that the land upon which the garage stands will be regarded by your tax inspector as falling within section 101 (b) of the Capital Gains Tax Act 1979, namely as land which you have for your own occupation and enjoyment with a flat, as its grounds. That being so there would be no CGT pay (assuming that the flat has always been your main residence).

If need be, the solicitor who acts for you in the sale of the garage will be able to help you on the incidental tax aspects.

## Doctors' errors

Can legal action for damages be brought against a hospital consultant or health authority if a patient suffers significant permanent damage to his health as a direct result of diagnostic error, and if so, with what prospect of success?

Three years ago, a leading consultant told me in a private consultation that he thought I might have a

## Lost tax relief

I have been working in Saudi Arabia since March 1984. In June 1985 I bought a new house with a £52,000 mortgage for which I paid interest gross £5,146 up to April 1986.

I have now heard from the central unit at Boots that even though my wife and family live in the house permanently, I am not allowed any tax relief for the last year, and as the building society is not operating the split MIRAS until 1987 I can not claim any tax relief for this year. Is this correct?

If I return to the UK and take up employment this year will I be able to claim the full year's tax relief or only for the period after I started work and pay UK tax?

It is rather a pity that you decided not to seek advice on the tax aspects from the solicitor who acted for you in the purchase (and in the mortgage). Quite a number of our readers seem to find that trying to keep their solicitors' fees to the bare minimum, when buying or selling a house, eventually proves to have been

## Kevin Goldstein-Jackson

most fund managers. Its managers will not be trying to select the winning shares, industrial sectors or countries. Instead they will seek merely to match the average performance of world stock markets (excluding the UK), as measured by the Morgan Stanley Capital International World Index.

This will be achieved by investing in a broad representative sample of 300 shares, from 15 of the largest stock markets in the world. Just over 50 per cent of their money will be invested in the US and 27 per cent in Japan.

Because there are no active managers to pick, charges are much lower than the average for investment trusts and unit trusts. If the fund reaches its target of raising £150m, the total charges will be only 0.2 per cent per year. By applying directly for shares in the initial offering you avoid paying any initial entry fee.

Thus for a £5,000 investment, instead of spending £250 entry fee, plus £50 a year in charges, you will pay only £10 a year.

Few international funds have been able to outperform the Capital International World Index over the past five years. The River & Mercantile fund is constructed to ensure that the investment returns will normally be within two percentage points of the index in any one year.

The main source of worry is that the share price of most investment trusts that have been launched in recent years has fallen within a few months to substantially below the net asset value of the fund. Such a resiliency adds to the risks. It might therefore be safer to wait a few months and see if the shares can be bought up at a discount.



Investor's Tale

# How choosers can be losers

The report also stated: "Over the period under review the price of your units rose by 31.2 per cent while the Hang Seng Index rose by 67.9 per cent in sterling terms." The February 1986 report revealed that the price of units for the previous 12 months had fallen by 11.21 per cent while the Hang Seng Index had only fallen by 1.74 per cent in sterling terms. If I had invested in every share making up the Hang Seng Index I would, therefore, have done far better than investing in Gartmore's Hong Kong Trust. But to have done this would have involved considerable expense.

Alternatively, I could have carefully researched the Hong Kong Stock Market and invested in a company such as Amy Canning, which at one time in 1985 was HK\$67.70 but is now around \$19.50, or Lai Sun (up from HK\$9 to about \$24). These are both companies in which Gartmore's Hong Kong Trust did not invest.

Unit trusts can still produce excellent profits for investors. For example, Laurentian Growth turned £1,000 into £2,037 in one year; Mercury Japan turned £1,000 into £2,939 in three years; and Barrington European turned £1,000 into £4,953 in five years. Unfortunately, I did not have investments in those trusts.

As with direct investments in ordinary shares, a private in-

# Clive Wolman casts a careful eye at new funds An antidote to hype

TWO NEW types of fund to be launched this week illustrate how investment trusts, long regarded by private investors as both boring and complicated, can be put to good use.

One fund, the JP Pacific Warrant Company, a closed-end investment company managed by Jardine Fleming, a Hong Kong subsidiary of Robert Fleming merchant bank, has two alternative uses.

It offers a way of investing in the rapidly growing Japanese warrant market and can also be used as a successor to the offshore roll-up funds, to convert heavily taxed interest income into untaxed capital gains.

In the initial share offering, for which applications have to be submitted by next Thursday (July 17), investors will be allocated units of one preference share and one ordinary share. The two types of share can thereafter be bought and sold separately on the London stock market even though the company itself is registered in Luxembourg and the shares are denominated in dollars.

The preference shares will be redeemed in nine years at a price of \$98 for every \$100 of the initial investment. Once the units are split and trading starts in the preference shares, their price is expected to be fixed at around \$90. The discount to the redemption price reflects the interest that will accrue to the shareholders over the next nine

years through the fund's investment in US bonds. The price will rise gradually as the redemption date approaches.

Thus a preference share investor will receive his interest income in the form of appreciation in his share price. The fund is structured so as to avoid the 1984 legislation which cracked down on offshore roll-up funds. As a result the share price appreciation will be taxed, if at all, as capital gains, not income.

The fund is dollar-denominated and invested in dollar securities. So you will be taking a risk on the dollar-sterling exchange rate, even though in the longer term exchange rate fluctuations tend to cancel themselves out after allowing for differences in inflation. Buy and hold on to the preference shares only if you are optimistic about the dollar or if you expect to have to pay some of your bills in dollars in the future.

Unless the Inland Revenue intervenes in next year's Finance Bill, the structure used by JP Pacific Warrants will doubtless be imitated by other fund managers investing in sterling securities.

The performance of the ordinary shares will depend on the fortunes of the Japanese—and to a much smaller extent the Hong Kong—stock market. The number of Japanese companies with warrants to issue has risen rapidly to more than 250.

Warrants are more volatile, but also more tax efficient, than ordinary shares. So if you only want to buy and hold on to the ordinary shares, and not the low risk preference shares, make sure that you don't expose yourself too much to the risks. As a rough guide, you should invest in the ordinary shares of the fund only one third of the amount you would normally be prepared to invest in a Japanese or Far Eastern unit trust.

The other investment trust to be launched this week, the River and Mercantile International Index Trust, will appeal to those who have become increasingly sceptical about the investment performance claims of unit trust managers.

Their highly selective graphs, which show how much £1,000 invested in one of their funds would have grown over the past five years, always look impressive. But as world stock markets have been booming since 1981, most individual investors would have made more money by investing directly in a randomly selected portfolio of shares—and avoiding the steep unit trust charges. For overseas unit trusts, these typically amount to a 5 per cent entry fee and an annual charge of more than 1 per cent.

The River and Mercantile fund is explicitly designed as antidote to the sales hype of

# Cutting the cost

John Edwards looks at an easy guide to bank charges

A LOT OF publicity has been given to the so-called "free" banking offered to retail customers with a credit balance. Now Lloyds Bank has turned its attention to the many small businesses with bank accounts who are far from certain exactly how much they are paying.

The innovation on this occasion is not cheaper charges—in fact there is a slight increase—but the introduction of a published standard tariff, which will enable the customer to calculate in advance how much will be due and plan ways of reducing the cost. Small businesses, including sole traders and other unincorporated groups as well as limited companies, so a lot of people are affected.

Lloyds claims to be the first bank to publish such a tariff, available immediately to new accounts, but not to be applied to the bank's 250,000 existing business customers affected until September, so that adequate notice of the change can be given.

Under the new tariff, 50p is charged for all entries apart from direct debits and cash-point, which are only 20p. The charges will be assessed monthly, instead of quarterly, on the basis that in business most bills have to be settled on a monthly basis. There is a £1 monthly standing charge.

But the bank offers a notional interest rate of 3 per cent a month on the average cleared credit balance held, which is applied only towards the reduction in cancellation charges. So if you maintain a large balance you may well avoid paying any charges.

Since the charges made are standard it will be possible to calculate just how much you are likely to be liable for and the amount of money needed to cover the cost or available for transfer to earn real interest elsewhere. For this purpose Lloyds has introduced a business call account, an interest-bearing account with instant access.

Free in-credit banking is being offered for the first year to participants of the Enterprise Allowance and National Youth Enterprise schemes.

Meanwhile the latest guide to retail bank charges, issued by the Save and Prosper group, shows that there remains a considerable difference in charges made by different banks. Although they all offer free banking if you maintain a credit balance, if you go into the red even briefly you are liable to pay between 36p (the Co-operative Bank) and 20p (Lloyds) for each cheque drawn.

The guide advises anyone with more than £500 in combination of bank and building society accounts should consider opening a high interest bank account.

Below this level a high interest account could cost you more than a High Street bank account. But if you visit the bank only to withdraw cash then a high interest account might also be a better alternative.

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# Home Security

Elaine Williams discovers that few householders take adequate precautions against burglary, and crime figures are climbing  
**Complacency adds to risk**

EVERY 60 seconds or so someone's home is burgled in the UK. This type of crime has been steadily increasing and last year the 871,000 burglaries in the UK cost insurance companies more than £200m.

Since it is one of the most upsetting and distressing crimes, and one which the public fear most, it is surprising that few householders consider it worth while to take adequate precautions. This is especially perplexing when the statistics show that about 80 per cent of home thefts are believed to be opportunistic — carried out in broad daylight when the thief sees an open window or an easy-to-pick lock.

But the sharp crime increase has begun to hit home, in more ways than one. The Government has stepped up its campaigns and Mrs Margaret Thatcher had her second meeting with the security industry to discuss home protection at the end of June.

It seems that a Briton's home

is no longer a castle — more of a free take-away with items top of the picking list being television sets, home computers and video-recorders, for which there is a ready market. Every home is at risk, though flats and houses in inner city areas are especially vulnerable.

Detached houses in secluded grounds, houses or flats near the ends of streets or backing on to alleys, parks, fields or waste ground are attractive targets because of ease of access and a ready escape route.

Yet a good set of locks and a burglar alarm could deter all but the most determined thief. In an independent survey carried out by Mark Research for Modern Alarms, one of the largest security companies in the UK, it was found that people considered that a dog was nearly as effective as an electronic alarm. Gases are even better if you have the space for them in the garden.

Even though 20,000 burglary cases were solved in 1984 as a

direct result of alarms, only 5 per cent of homes are fitted with them while many homes are fitted with low quality locks.

But many people are worried by the thought of burglary and 9 per cent of the homeowners in the Modern Alarms survey would even consider moving house if burgled. Even so, only 43 per cent would renew locks after a burglary and only one in five would consider fitting an alarm.

Amid such complacency is the growing number of neighbourhood watch schemes, and more than 7,000 are already in operation. These schemes encourage greater community spirit by asking people to keep an eye on their neighbours' property and to report anything suspicious to the police. Special window stickers warn would-be thieves that such a scheme is in operation.

Some areas have crime prevention panels where repre-

sentatives of the local community meet the police regularly to discuss and devise new schemes.

There is great interest in the long-term success or failure of neighbourhood schemes, especially among insurance companies, which are looking at the possible effect on home contents policies.

In February a new company, Guardfast, was formed to market the Neighbourhood Watchers' Insurance Scheme, the first of its type to be associated with the movement. It can reduce household contents insurance premiums by half compared with quotes from the larger insurance companies.

One commercial company has even set up a scheme to provide a home-minding or "home-sitting" service for holidaying families. Homesitters at Buckland, near Aylesbury, was set up five years ago. It now has 350 homesitters all over the UK.

# Apathy and alarms

A few areas in the UK have victims' support schemes, which give practical help to victims of personal attack while a national body has been set up in London.

Even if you have failed to keep the burglar out, you can increase your chances of retrieving your stolen property by marking it. Property marking can be done by etching, die-stamping or using a security marker pen which uses invisible ink and can only be read under an ultraviolet lamp.

Police recommend that the postcode be marked on the items along with the address of the house or flat.

Crime-prevention officers also recommend that a careful photographic record be kept of jewellery and other personal items not easily marked. Thousands of stolen items cannot be returned to their owners simply because they cannot be identified.

The same officers are quite happy to give specific advice on protecting individual homes — not necessarily just on fitting locks and alarms but on door frames, window frames, external roller blinds, and the fitting of external roller blinds.

Such blinds are popular on the Continent both as an attractive feature and a security measure. Insurance companies overseas often give discounts on external roller blinds because they are made of interlocking elements of aluminium or PVC and can be operated only from inside the house or flat. In the UK companies such as Continental Awnings, in Berkshire, supply these systems.

ELECTRONIC gadgetry seems not to have deterred the burglar but it has had the effect of putting off the consumer. According to the British Security Industry Association, only 5 per cent of homes are equipped with any form of burglar alarm.

Modern Alarms, one of the leading suppliers in electronic security, found that UK homeowners were doubtful about the electronic alarms because they believed that such systems were too expensive and largely ineffective, even though it is possible to buy an alarm to suit even the most modest budget.

There are do-it-yourself systems which can be connected to doors and windows and cost only a few pounds, or one can buy professionally installed alarms from £400 to over £1,000 and which cost £250 a year to maintain.

There are infrared beams which trigger an alarm when the beam is broken; sensors tuned to the frequency of breaking glass; infrared detectors to sense body heat; microwave and ultrasound detectors to pick up movement in a room; magnetic reed sensors, wired to doors and windows, which are triggered when doors are opened; and pressure mats put down near doors and windows to detect an intruder walking over the floor.

Sometimes these individual sensors can be set off by the wind or even animals.

Companies are trying to improve sensing technology. Chubb, for example, has produced what it calls a dual-purpose movement device which combines ultrasound with infrared — an alarm is triggered only if both parts of the sensor detects a change at the same time.

Polycell entered this market with door alarms only last year and intends to take a big share of the do-it-yourself market. Antirene, one of the country's leading curtain rail and aerial manufacturers, has also taken a sideways step into the home security business. It has launched a series of portable electronic alarms to protect specific items such as television sets and videotape recorders.

Another new company in this market is Becktronics, which was set up only last year with a novel alarm system triggered by low-power radio waves.

There are many new companies in the market as the industry has grown. Until recently there have been few controls on the quality of either systems sold or their installation. So as to remove this "cowboy" element in the industry, the more reputable companies have encouraged the setting up of the National Supervisory Council for Intruder Alarms (NSCIA).

This body has members which include the well-known names in the industry such as Chubb,

**Deterrents range from £100 worth of locks to high-tech alarms. The problem lies in persuading people to fit them**

Modern Alarms, AFA Minerva, Securicor Granley, Group 4 Banham and Honeywell Shield. Any professional installers of such equipment tend to be members of the NSCIA which guarantees that installation conforms to British Standard BS477.



MORE THAN 70 per cent of Britain's 20m homes have little or no protection against burglaries, yet an investment of about £100 in suitable door and window locks could provide a deterrent.

Part of the reason for the apparent apathy in home security equipment is the belief that specialist locksmiths provide an expensive service and that installing locks oneself is too difficult and complicated.

Recently a number of leading makers of home security products formed the Security Lock Association, based at Penfold House, Brent Street, London, to make householders more aware of the risk of break-ins and to provide advice on the types of home security devices available.

Many break-ins — an estimated 80 per cent — are carried out in broad daylight by opportunist thieves who can be deterred, and kept out, by effective locks. The average home has up to £5,000 worth of goods which can easily be carried out through the front door. The top items on the thief's hit list are television sets, video recorders, home computers, hi-fi equipment, cash, cheque books and credit cards, jewellery, silverware, cameras and antiques.

Yet no burglar likes the idea of trying to lug a television set through a window when it is easy to force a low-quality door lock — the types of lock which tend to dominate the UK lock market.

This is why makers of the more secure locks are anxious to promote their products and to show that their designs are neither difficult to install nor expensive when one considers how much is at stake.

Police say that the standard two-lever lock which builders often fit to back doors is insecure, while the standard night latch can be opened with a key in a few seconds.

Crime prevention officers advise installing a security deadlock instead. There are two basic types — a mortice deadlock which fits into the door and a Rim type deadlock which screws on to the door.

Lock manufacturers tend to be critical of the building industry, which often fits the cheapest types of lock to new houses. Lock-makers point out that the extra cost of fitting high-quality hardware is minimal when compared with the total building costs and is also a good selling point. Some building companies have been moved by such arguments, however.

A home is relatively easy to protect with products such as a Rim automatic deadlock on the front door, costing around £20, and a variety of locks on windows and back doors. The British Association of Locksmiths recommends that front door locks should conform to British Standard BS3621, which guarantees a certain level of security.

Window and patio locks come in a wide range to suit sash, wooden or metal types of different shapes and sizes and their location. For example, there are security bolts operated by a simple screw pin or key-operated cylinder types which have a deadlocking action. Others can be locked simply by pushing but opened only with a combination key.

Householders have the option of going to a specialist locksmith or buying from do-it-yourself shops. Companies like Ingersoll have resisted the temptation to sell through DIY retailers, and keep their products firmly at the specialist end of the market, though their high-quality products are not too expensive.

This is a contrast to the DIY market philosophy, where competition for consumer business is intense. Last year Polycell entered this market for the first time with a £2.5m advertising campaign and a wide range of hardware and electronic products. Its emphasis has been on simple-to-fit window and door locks costing from £1.99 to £3.

Mr Martin Stockley, Polycell marketing director, claims that within only 10 months the company has become one of the top-selling concerns in home security products for the DIY market. Polycell's sales are close to £2m because of its energetic marketing.

# Break-in costs soaring

EVERY DAY insurance companies receive 1,000 theft claims against household contents policies. Though most losses from burglaries are valued at only £50, the amount paid out by insurance companies has doubled over the past five years to a total figure of more than £200m.

This has prompted insurance companies to take a hard look at house contents insurance especially as it is one of the least profitable parts of their business. Areas of the UK with the high crime rates have faced steep increases in insurance premiums and it is not uncommon for inner city householders to have to pay up to £15 in every £1,000 worth of house contents insured, compared with, say, £3.50 in low-risk areas.

Coupled with increases of 200 per cent for some premiums, insurance companies are also changing the nature of the policies they offer. The Prudential as the market leader in this sector with more than 3m homes and their contents insured, has made it obligatory for the householder to meet the first £50 of any claim.

**Insurance companies are taking a hard look at premiums as the claims bill rises to more than £200m a year**

anxious to reduce the burden of claims but are treating with caution the idea of offering positive incentives such as discounts to prudent householders who adopt better security measures or join in neighbourhood schemes.

The Prudential has stood firm against discounts. The company is likely to impose a 12.5 per cent excess on premiums to householders with little or no security. But it has begun an awareness campaign and is training its 9,000 agents to give sound advice on locks and alarms.

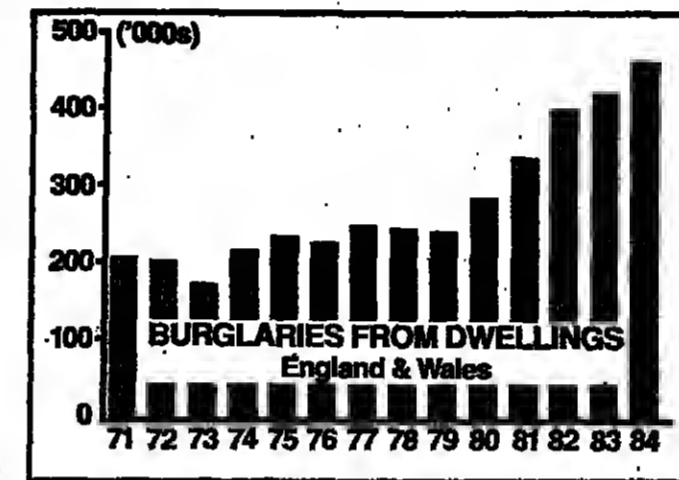
Guardian Royal Exchange does not offer discounts but along with its household policy a client has the chance to buy Ingersoll locks at 15 per cent off, which is probably worth more than a discounted policy. Many insurance companies

argue that a modest discount of 5 per cent off an average premium of £50 to £70 is not a strong incentive to take better security measures. Moreover, there is little or no profit available to pass back to the policyholder, especially as theft risk is just part of the cover offered by house contents insurance. It may represent only one-third of the total policy.

Companies that do offer discounts tend to impose strict rules to ensure that locks and alarms are not only installed but also used regularly, otherwise no claims can be made if a burglary has occurred. This puts a greater onus on the householder to take care of his property and limits his ability to recover losses.

In January this year Economic Insurance, along with insurance brokers Hill House Hammond, launched its Homecare Plus scheme which offers in certain areas, discounts of between 10 and 15 per cent to householders who satisfactorily answer a detailed questionnaire about their household security measures.

But the policyholder must also undertake to lock all doors



and windows even if the house is left empty for only a few minutes, otherwise the insurance claim is void if a burglary is committed.

Cornhill Insurance is another company which regards a discount as an incentive and has introduced a 5 per cent reduction to policyholders in a limited number of UK areas. Again, the householder has to meet a certain condition and his home security measures must be approved by the local Crime Prevention Officer.

At least four other insurance companies offer concession on house contents policies to householders who have joined neighbourhood watch schemes. The policies are sold by brokers Strovers; Brownhill, Morris and West Endsleigh, while Royal Insurance offers a discount on its Homesafe Policy.

But insurance companies in general are reluctant to take a more active role to ensure that home-owners fit better security systems apart from offering advice. The Association of British Insurers, which represents the major insurance companies, has prepared crime prevention information for the public and is happy to answer questions.



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Antony Thornicroft predicts keen foreign bidding for a prized group of English marble figures

Save our sculpture

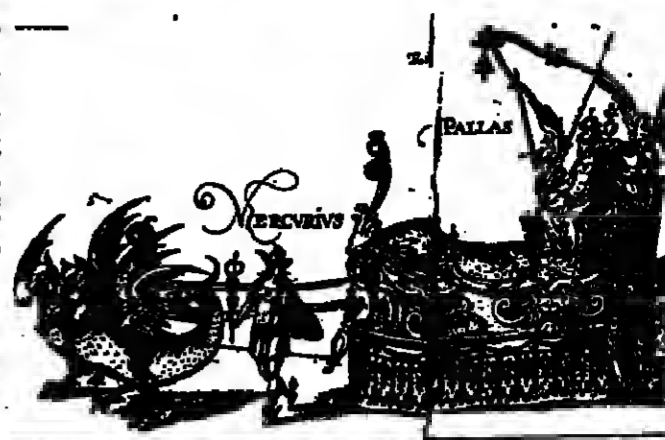
THE STAGE is set for the latest "save our heritage" from foreign predators... At Christie's on Tuesday, the finest group of English marble figures from the 18th century...

subsequent sale all but impossible. But undoubtedly some owners were aware of the appreciation prospects from loaning treasures to Washington... The Nollekens have assumed added interest following the credible suggestion of Dr Nicholas Penny of the Ashmolean in Oxford...



Vincenzo Foggini's "Samson slaying two Philistines," to be sold at Christie's on July 15

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Detail from the "Honeymoon-Book" of the Prince-Elector Frederick and Elizabeth, daughter of Charles I.

The battle of the books

One of the last to have witnessed it there, in 1608, was that tireless English traveller Thomas Coryate. The library must have looked fairly similar to the "Chained Library" of Hereford Cathedral or the library of Merton College, Oxford, only still grander and richer in content... The exhibition reflects these riches. The Lorsch Gospel Book came from the court of Charlemagne and contains superbly made representations of the evangelists enthroned...

Book of Falcons, written by the emperor Frederick II of Sicily, gives an insight into medieval nature observation based on experience rather than magic. Facsimile editions of some of these manuscripts are on shelves alongside the originals, so that visitors can actually browse through those aesthetically extremely satisfying volumes... The exhibition runs from July to November 2 and is open every day. A fully illustrated catalogue is available.

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### Country Property

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Marlow 7 miles, Oxford 20 miles  
A Chiltern Farm House with Buildings set in beautiful countryside in the hills near to the river towns of Marlow and Henley-on-Thames.  
totalling about 84 ACRES  
Ideally positioned 40 miles to the West of London with excellent access nearby to the M40 Motorway  
For Sale by Auction (unless sold privately) on  
Tuesday 22nd July, 1986 (Ref: SJ1)



### CHISBRIDGE

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A fine modernised Chiltern Farmhouse dating from the 17th Century set in beautiful countryside in the hills near to the river towns of Marlow and Henley-on-Thames.  
Chisbridge is a perfect family home with four good-sized reception rooms off a large entrance hall, ideal for entertaining; four bedrooms; dressing room; three bathrooms (two en suite), with ample existing space for further bedrooms or staff quarters on the second floor.  
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The vendor will consider selling the house separately (Ref: MRC/SJ1)

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A detached stone-built terrace in the 1930's on the outskirts of Tetbury, with a rural aspect standing in approx 5 1/2 acres of mature gardens and paddocks.  
Entrance hall, cloakroom, 3 reception rooms, kitchen and domestic office, 4 bedrooms, 2 bathrooms, double garage, 2 car garages, formal garden approx 1 1/2 acres. A acre paddock. Detached cottage with 3 bedrooms, reception, kitchen and bathroom, Garage. Garden. Considered suitable for a small rural home, subject to planning permission. £225,000 Freehold.

**OXfordshire - Shipley Harlow**  
Oxford 18 miles, Banbury 12 miles.  
A lovely yellow stone, listed Grade II, Manor house set in its own private and well wooded grounds, close to the centre of this exceptionally attractive market town.  
Entrance hall, hall, cloakroom, drawing room, sitting room, dining room, kitchen and domestic office, studio, 6/7 bedrooms, 2 dressing rooms, 3 bathrooms, double garage. Superb garden of approx 1 acre. Swimming pool. Freehold for sale. £225,000. See Agents.

**OXfordshire - Banbury**  
A 19th Century house standing in a superb rural position in about 9 acres of desirable pasture with approx 1/2 acre of trees and 1/2 acre of woodland. 3 reception rooms, kitchen and domestic office, 5 bedrooms, bathroom, garage and outbuilding. 1 acre garden. 8 acre pasture. Approx 1/2 mile river frontage. For Sale by Public Auction 30th July (unless previously sold). For Price Guide and Illustrated particulars, apply See Agents: High Street, Banbury, Oxfordshire OX15 4AL. Tel: (099 382) 2058/2065.

**SHARPLEY CORNETT, WORCESTERSHIRE**  
Birmingham 16 miles.  
A recently completely renovated villa with 700 yards of river frontage and 5 acres of grounds. 4 reception rooms, luxury fitted kitchen, 3 bedrooms, 3 bathrooms, kitchen and domestic office, 2 bedrooms, bathroom, garage and outbuilding. 1 acre garden. 8 acre pasture. Approx 1/2 mile river frontage. For Sale by Public Auction 30th July (unless previously sold). For Price Guide and Illustrated particulars, apply See Agents: High Street, Banbury, Oxfordshire OX15 4AL. Tel: (099 382) 2058/2065.

**STONINGHAM, COMMON, WORCESTERSHIRE**  
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Stunningly situated residence with some of the finest views in the Malvern Hills. 3 reception rooms, fitted kitchen, 4 bedrooms, 3 bathrooms, 2 bedrooms, 2 bathrooms, kitchen and domestic office, 2 bedrooms, bathroom, garage and outbuilding. 1 acre garden. 8 acre pasture. Approx 1/2 mile river frontage. For Sale by Public Auction 30th July (unless previously sold). For Price Guide and Illustrated particulars, apply See Agents: High Street, Banbury, Oxfordshire OX15 4AL. Tel: (099 382) 2058/2065.

**WILTSHIRE - Tetbury**  
A detached stone-built terrace in the 1930's on the outskirts of Tetbury, with a rural aspect standing in approx 5 1/2 acres of mature gardens and paddocks.  
Entrance hall, cloakroom, 3 reception rooms, kitchen and domestic office, 4 bedrooms, 2 bathrooms, double garage, 2 car garages, formal garden approx 1 1/2 acres. A acre paddock. Detached cottage with 3 bedrooms, reception, kitchen and bathroom, Garage. Garden. Considered suitable for a small rural home, subject to planning permission. £225,000 Freehold.

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6 bedroomed Georgian House and Grounds for sub-division.  
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For sale by private treaty as a whole or in lots

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### PROPERTY

## John Brennan reports on how homeowners can get away from the 9-5 routine

# Live over the shop

IF YOU happened to have a spare £312,000,000,000 to invest you could start quite a decent sized business of your own. That is no random figure. It is the uncharged equity in British houses and flats, the comfortable gap between £108bn of home loans and the estimated £420bn value of the country's privately owned housing stock. Their own, small proportion of that three hundred and twelve thousand million pounds provides an escape route from a nine to five routine for an increasing number of homeowners.

"A colossal number of people sit at home on a Sunday afternoon and have a day dream of walking into the boss's room and saying, 'stuff you, I'm off to run my own business'." Mr John Howard, managing director of Christie & Co, makes the point because he has at least 20,000 of those would-be corporate rebels on his books at any one time. They call because they want to start a business, but need to sell their homes to raise the cash. So they turn to the specialists to find a business they can live in.

Christie & Co handle the sale of pubs and hotels, restaurants

and village shops, rest and nursing homes, as well as newsagents and tobacconists across the United Kingdom. But you may never have heard of them, because their name doesn't appear on "For Sale" boards.

Christie isn't shy, it is merely that, as Mr Howard says, "We never put 'For Sale' boards up on a trading business. You wouldn't walk into a pub with a 'For Sale' sign over the door. You might happily know that the pub is for sale because the landlord has told you, but if there was a sign over the door the turnover would just disappear."

Turnover is the key to these smaller live-in businesses. As long as the trade keeps up a buyer can hope to make a living. The profit line is, according to Mr Howard, pretty well what you want to make of it. "We have had people walk into a loss-making business and go into the black from day one. The difference is in how much is charged up against the business, how much time and effort the new owners are willing to put into it, and the owners' trading skills."

You get a publican who arrives in the bar without his



Chipping Norton's 14th to 16th century manor has its own art gallery in the high street and a separate, modern, and distinctly less appealing bungalow in the grounds let to US Airforce personnel from nearby Upper Heyford air base. Hampton & Sons Oxfordshire office (099 382 2058) are asking £225,000 for the whole estate, or £225,000 for the seven bedroom manor and 1 1/2 acre garden. (hidden costs a £187 annual fee to the Dean of Gloucester and £1.40 is the local vicar for use of former church lands) and £106,000 for the three bedroom bungalow - let at £130 a month - and the gallery with a £6,000 a year rental potential.

# Move out and cash in

**Why New Yorkers are looking north from Grand Central:**  
John Brennan reports

COMMUTER belts are being loosed around London and prices push buyers farther away from the capital. New York's commuters have the additional travel incentive of being able to change their tax bill by selecting a home in the country.

Connecticut doesn't have state income taxes, that's why New York's high earning commuters take the train north from Grand Central Station after a hard day in their Mid-Town office. Beyond the state border, the shorter the trip, the more expensive the homes. Just 45 minutes out of the city and the

real high flyers leave the train, heading for \$500,000 plus houses in Greenwich, or taking the 20 minute drive from the station to North Stamford, a drive that cuts a third off the price of equivalent sized homes. Dienna Carnegie of the real estate brokerage Douglas Elliman (203.868.7800) handles sales in the area and talks of Greenwich as "the ultimate in suburban living; it's the 5th Avenue of the suburbs." As she explains, the tax system in the US makes a \$500,000 plus house *de rigueur* for a New Yorker or overseas executive earning \$100,000 a year or more. "With incomes and bonuses it would be quite normal for someone like that to have a \$400,000 mortgage. That wouldn't be out of the ordinary, it would just be tax efficient."

New Yorkers who want to stay in the city are being tempted by discounting of condominium

apartments prices because of overbuilding. But as Dienna Carnegie reports, costs of flats in the city's big, older cooperative blocks have powered up in recent years. "Average prices per room were \$10,600 in 1977, up to \$41,600 in 1980, and are \$124,300 now." Even if you can afford it, and the couple of thousand dollars a year in maintenance costs an older co-op apartment will entail, you may not be allowed to buy.

Getting accepted by a block's selection boards can be tricky. These committees of existing owners vet prospective buyers and can make life frustrating for New York's selling agents. "You finally match an apartment to a buyer and then the buyer turns up for the selection test in the wrong clothes, or says the wrong thing, gets turned down, and you're back to square one."

Restaurants are at the high risk end of the live-in trade. Competition and flexible fashions make for a constant turnover of enthusiastic newcomers and a steady exit of failed restaurateurs.

Each "mine host" of the local pub is a safer bet. The licence provides some protection against local competition for the 30,000 or so privately owned freehouses. That applies to private hotels with a bar trade, and the 10,000 or so of those in private hands tend to sell at a premium to pubs because the owner accommodation is often better, and the work can be less hectic than pub management.

Christie's figures suggest that the average price for an inn or freehouse in London and the Home Counties is just under £200,000. That compares to an average £108,000 in East Anglia, £105,000 in Scotland, £98,000 in Wales and £92,000 in the North West. Averages don't work as well for hotels, but you could, for example, buy the six bedroom Angel Hotel in Wiltshire for £198,000 and acquire both a family home and a business with a £100,000 a year turnover in the process.

There is no formal licence to protect a newsagent's local market, but wholesalers provide a fair measure of protection for buyers of established businesses because they are reluctant to supply interlopers trying to set up an agents' shop in an already well served area. There are at least 25,000 of those businesses in the UK, and another 40,000 to 50,000 local stores and corner shops with varying degrees of wholesaler support.

Newsagents shops don't tend to be particularly attractive as sales, the Post Office salary there is £6,200 a year. In a Cambridge village a large four-bedroom family house with garden is on offer for the price of an average suburban house in London. The freehold price of £37,000 buys the home, plus a shop taking £2,500 a week and a regular £7,500 a year Post Office salary.

As live-in businesses it is hard to beat the mix of salary and shop income from a Post Office. But the stock of offices is fairly constant. The big growth area in recent years has been in the provision of rest and nursing homes. There are around 35,000 beds for the elderly in private homes at the moment, and Government figures based on the number of older people in need of full time care suggest that at least 130,000 private sector beds will be needed by the early 1990s.

That projected growth not only creates a new area for family businesses (employing professional nursing staff to run the care side of the home), it also defines the future role for many larger suburban houses across the country.

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Paddocks. Deer park and trout lake.

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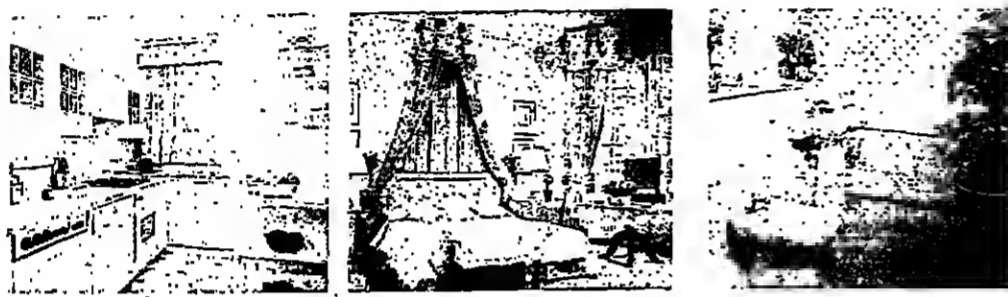
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(AM/17105)

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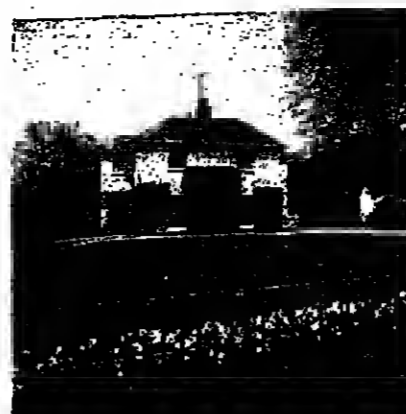
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Apply London, Tel. 01-629 8171 and Hungerford, Tel. (0488) 82726

(AM/10860)

20 Hanover Square 01-629 8171

# Hampton & Sons



### PENN, BUCKINGHAMSHIRE

The Old Rectory, Tylers Green, an elegant listed Grade II early Georgian residence. Entrance hall, 4 reception rooms, kitchen and utility room, good cellar, cloakroom, 4 bedrooms, 2 bathrooms. Attractive country gardens with heated swimming pool. Double garage. About 7/8 of an acre in all. Freehold to be offered for sale by Public Auction on Wednesday 16th July 1986 at 2.00 p.m. (unless previously sold). Auctioneers: Hampton & Sons, Beaconsfield Office. Tel: (04846) 77744.



### BERKSHIRE/HAMPSHIRE BORDER

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### MONKEN HADLEY, HERTFORDSHIRE

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### KENWOOD, N.A.

Imposing family residence situated in delightful secluded grounds of just over 1/2 acre. Well maintained by the present owners. Only 200 yards from the Heath. 3 reception, 7 bedrooms, etc. Further details and colour brochures available from Sole Agents. £288,000 Freehold.



### ADMIRALS WALK, HAMPSTEAD, N.W.3.

An important historic house quietly located in Hampstead Village. Built circa 1700 and steeped in history, this fine property offers spacious and flexible accommodation together with delightful walled gardens, 3 car garage and detached squash court. Substantial offers invited for the Freehold. Sole Agents, Hampton Office. Tel: 01-794 8222.



### ST. JOHNS WOOD, N.W.8.

Just off Avenue Road. A fine detached house with a country atmosphere, set well back from the road with a beautiful secluded large south facing garden and separate staff lodge with garaging under. 7 bedrooms, 4 bathrooms, drawing room, dining room, study, further reception rooms, kitchen, breakfast room, large entrance hall, staff flat and double garage. Freehold. Substantial Price Required. Sole Agents.



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### HAMPSTEAD VILLAGE, N.W.3.

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TRAVEL • MOTORING •

Christine Burton explores the canals of England and France
Life on the waterfront

THE FELLOW had got his priorities right. As he caught sight of the tea cup disappearing into the murky waters of the Grand Union Canal, he shouted to the culprit: "What's full?" Teamwork is all important when you're on a narrow boat and it isn't easy to have one member of the team undoing the good work of another by tipping the communal brew into the canal.

The canal network extends all over Britain and provides a leisurely way of getting away from it all by going not very far, not very fast. Starting from Berkhamsted in Hertfordshire, as I did, you could travel about 80 miles in a week (taking in the Grand Union and Oxford Canals and the Thames), at an average of three miles an hour. The real enthusiasts start moving as soon as it is light, keep going until dusk and go to sleep about 9 pm.

The "Fleur de Lys" is the queen of the fleet. Converted into a hotel barge this season, it is superbly fitted out. There is a heated swimming pool on deck surrounded by troughs of roses, hydrangeas and fuschias. Inside, the walls are painted in ash, in estate agent's terminology, "deceptively spacious." Decor and fabrics are exquisite; there is lots of pot pourri, fresh flowers and plants, books, prints, a baby grand, comfortable sofas... together with a friendly and attentive crew of five.



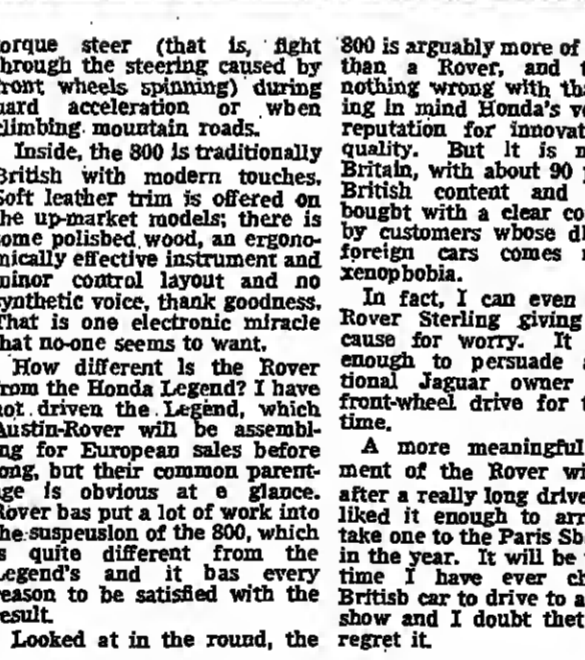
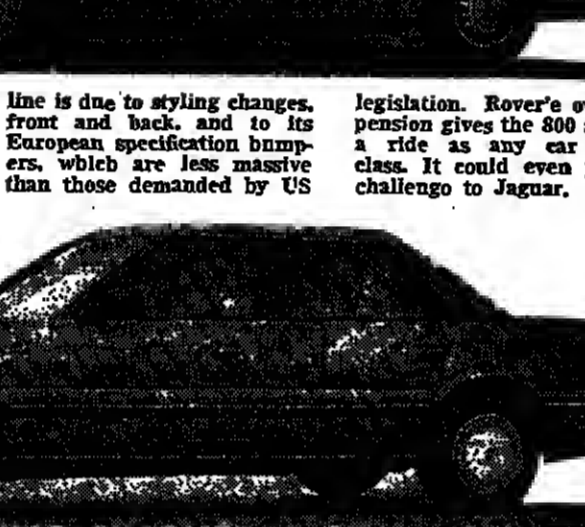
Time for teamwork: a lock on the Grand Union Canal

If it rains unexpectedly, if it doesn't, and passengers have the odd £116 to spare, they can have a stupendous view of the Burgundy countryside from a hot air balloon. Buddy Bombard, an American who owns a chateau in the area, will arrange a one and a half hour flight, usually in the early evening when the thermals and the light are at their best. The canal itself takes the boat at an average speed of two and a half miles an hour and follows the river Ardenon to Yonne, through fields of rape, sunflowers and ripening corn, through vineyards and orchards of cherry trees and grazing pastures of Charollais and Limousin cattle. It is lined with Lombardy poplars covered in mistletoe and there are good towpaths, plenty of locks (which the crew deal with) and lock-

Good and still 90% British

Stuart Marshall on the Rover 800 and the Honda connection
ANY MOTORIST who did not know that the Rover 800 was a joint Honda-Rover exercise called Project XX and that its success is crucial to Rover's future simply has not been paying attention.

Project XX, Japanese and British versions. The Honda Legend (above) and Rover 800 (below) are basically similar. The Rover's sleeker line is due to styling changes, front and back, and to its European specification bumpers. Such are the massive than those demanded by US legislation. Rover's own suspension gives the 800 as good a ride as any car in its class. It could even present a challenge to Jaguar.



Teenage globetrotters

WHAT DO you do with 18-year-olds who have just finished their A-levels? In the interests of family harmony, it is a wise move to send them away on holiday, preferably before their results come out.

sun, I strongly recommend an Internal Pass, which is readily available from British Rail or most travel agents for £119. As an alternative, Transalpine tickets take young people to a fixed destination, allowing stop-offs en route. To arrange a cheap holiday further afield takes a little more trouble. You must assume nothing.

CHESS

FIDE, THE International Chess Federation, has just issued its second half-yearly rating list for 1986 showing Kasparov firmly at the top with 2,740 points, the highest figure since Bobby Fischer and Karpov a clear second on 2,705, well ahead of the next man Yusupov on 2,660.

White: M. L. Hobden. Black: N. D. Short. King's Gambit (Leeds 1986). 1 P-K4, P-K4; 2 P-KB4, P-Q4; 3 N-QB3, P-BP; 4 P-P, P-QB3; 5 N-B3, B-Q3; 6 P-Q4, N-K2; 7 B-B4 (book is 7 B-Q3 with a slight edge for White). P-FP; 8 EXQP, N-E2; 9 N-Q, R-Q; 10 N-B3, O-Q; 11 O-O, R-K1; 12 N-Q2, B-B2; 13 N-B4, Q-KB4; 14 N-K3, Q-KN4; 15 N-K3, Q-B5; 16 Q-Q2, B-Q3; 17 Q-B2, N-R3; 18 B-P, B-B; 19 N-B2, Q-Q2; 20 Q-R, P-N4; 21 N-Q3, P-B3; 22 P-Q3, N-B2; 23 N-B3, B-B; 24 P-R4 (simpler 24 Q-N3 to force a queen exchange). Q-R4; 25 Q-N3, N-Q4; 26 N-K, N-BN; 27 Q-R, K-R7; 28 R-R, Q-R; 29 Q-B2, Q-N5; 30 R-K1, P-Q4; 31 N-Q3, Q-Q2; 32 N-B4, B-B2; 33 P-Q5, R-QB1; 34 Q-Q2, Q-Q3; 35 P-B3, R-B5; 36 R-KB1, R-K5; 37 P-KN3, P-N4; 38 P-P, P-P; 39 Q-Q3? (a decisive blunder;

best is 39 N-K3 when if QxQP; 40 QxQ, BxQ; 41 R-B5 but Black keeps up pressure by 39... P-R3, Q-B4 ch; 40 K-R2, R-K5; 41 P-N4, RxQ; 42 P-Q, PxN and Black won on material. PROBLEM NO 625 BLACK (1 move) WHITE (7 moves) White mates in two moves, against any defence (by E. H. Courtenay). Solution, page XVI Leonard Barden

Holidays and Travel Overseas

BAHAMAS The unspoilt charm of the Family Islands. Combine the excitement of Nassau and Freeport, their glittering nightlife and historic interest, with a romantic break in one of the Family Islands. Enjoy the secluded, intimate-style accommodation, walk on deserted beaches, swim in crystal clear waters and enjoy the friendly atmosphere generated by your Bahamian hosts. You may not want to do it all, but it's nice to know it's there. FROM £466 (Subject to availability) It's Better In The Bahamas.

BRIDGE

TODAY'S TWO deals from rubber bridge, will, I trust, instruct and entertain. Here is the first: N A Q 4 K 6 3 K J 5 4 W E 9 8 5 3 10 9 5 5 2 4 6 3 K J 7 A Q A 9 5 2 Q 10 8 5 With both sides vulnerable, South dealt and opened with one trump, and North's raise

The play of the diamond king is the perfect safety play. If the diamond nine loses to the ten in West's hand, the suit has broken, and South has 12 tricks; if on the diamond three East shows out, the trick is won with the ace, and a diamond return will establish dummy's knave. To play the ace is utterly wrong, but you know as well as I do, that in your average game the declarer will start by cashing his ace, and mean when he finds his left hand opponent with a singleton. Take a look at the next hand, which was dealt by South at game all. In this hand South started with one diamond, North replied with one heart, and South rebid three clubs. North thought of saying "three no trumps—this makes, as the cards lie—but he gave primary preference to three diamonds.

South now said three spades, and this encouraged North to N K 7 4 J 9 6 5 Q 7 4 K 5 3 W E 10 9 8 A Q J 5 2 10 8 7 A Q 4 3 8 5 9 3 2 10 7 6 4 S J 4 6 3 2 A K J 10 6 A Q 8 2 bid five diamonds, which became the final contract. West opened with the ten of spades. Winning the spade lead with his ace, South cashed ace, king of trumps followed by ace, king of clubs. The declarer then led another club from the table

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HEREDIVERSIONS

Heritage

Glory of Selborne

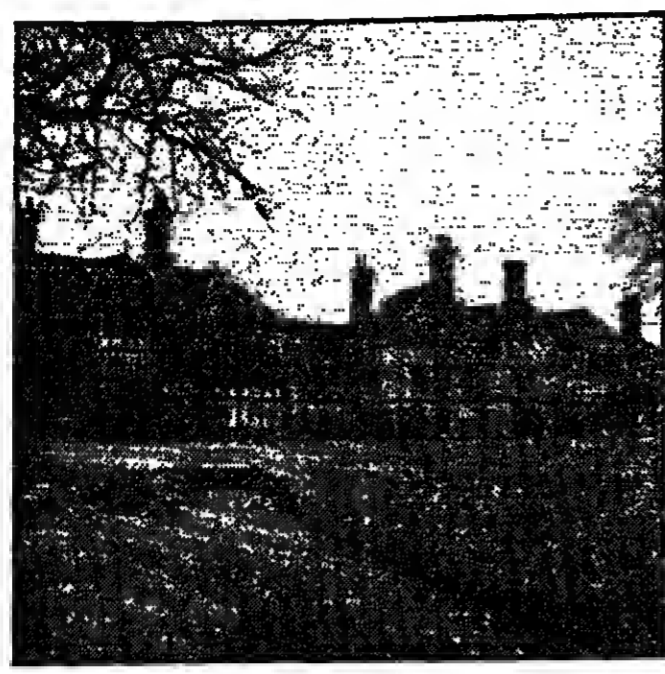
TWO HUNDRED years ago, in July 1786, the Rev Gilbert White wrote in his Journal of "a cloud of swifts over Clapham."

Anyone reading White's "Natural History of Selborne," who has been captivated by its devoted observation, concise writing and quiet wit must have longed to visit the place.

"The Wakes" where White lived (1730-93) is now much altered. But in the study are his coconut loving cup, his school books and sermons, the hawfinch he shot and stuffed, and the desk at which he wrote the "Journals" (1768-93).

In those days natural history came indoors: "A colony of black ants comes forth every midsummer from under my staircase, which stands in the middle of the house; and as soon as the males and females (which fill all the windows and rooms) are flown away, the workers retire under the stairs and are seen no more."

This was life without central heating, refrigeration or insecticides. "Frost comes in a door. Little shining particles of ice appear on the ceiling, cornice and walls of my great parlour..."



A modern view of White's world

Ice under people's beds... Water bottles burst in chambers. In summer, food rots: "My pendent pantry, made of deal and fine flywire, and suspended in the great walnut tree, proves an incomparable preservative for meat against flesh-flies. The flesh by hanging in a brisk current of air becomes dry on the surface, and keeps 'til it is tender without tainting."

an agreeable scent somewhat like that of nignonette. The walnut trees are loaded with myriads of nuts, which hang in vast clusters."

The garden well 63 ft deep, was a constant anxiety. It tapped two springs and carried water when many deeper wells ran dry; but in the drought of 1781 only 3 ft of muddy water remained. A man went down to clean it, and brought up marbles White had thrown in as a child half a century before.

Beyond his garden and meadows rises the glory of Selborne—the precipitous wooded Hanger. The zig-zag path White made in 1753 climbs the cliff-like ridge. The National Trust preserves it—a delight for hill-deprived children of the South-East.

National Trust land provides another favourite walk of White's east of Selborne, through the woods of the Short and Long Lythes and down the hidden valley of the Oakhanger stream. A map of these walks can be got at "The Wakes."

White's Journal covers the year (1785) when George Stubbs was painting his magnificent "Haymakers" and "Reapers" (in the Tate). It confirms the truth of Stubbs' portrayal of a solid, vigorous peasantry. White notes that diet and clothing had much improved in recent years; births substantially exceeded deaths. "The parish swarms with children."

Collecting

The ascent of man



Vincenzo Lunardi—pioneer flier

ADMIRING OLD prints of the first aeronauts—with sunny skies, elegant landscapes, cheering crowds and the intrepid heroes themselves gaily waving from their balloons—it is easy to forget that they too experienced the troubles, setbacks and everyday annoyances that beset any bold enterprise.

The Montgolfier brothers made the first aerial voyage in Paris in November 1783, and Lunardi, now 24, determined to make the first British balloon ascent. He admitted his genteel embarrassment at the commercial aspects of the undertaking.

The balloon was exhibited in Lucena in the Strand, and subscription tickets, giving admission to the forthcoming ascent, were sold at a guinea, half a guinea and five shillings. He consoled himself that the King's own patronage, did not seem to charge admission to their exhibition.

Soon he was complaining that "My subscriptions come in but slowly... nor has my Balloon excited the curiosity I expected." Preparations went ahead nevertheless. The "globe" was constructed from 250 yards of oiled silk, in alternate stripes of red and blue. Its horizontal diameter was 33 feet; and the top was pumped in through oiled silk tubes. Lunardi thought "inflammable air," as hydrogen was still known, safer than hot air, which necessitated suspending a brazier below the envelope.

Lunardi had arranged to make his ascent from the grounds of Chelsea Hospital; in return he was to donate half the proceeds to the hospital. A certain Moret, however, attempted to steal his thunder by making an ascent in a hot air balloon from a private garden in Chelsea the day before him.

When the wretched Moret's balloon went up in flames before it could leave the ground, the disappointed crowd went on a rampage, trampled fences and terrified Chelsea. Though the people of England are comparatively well informed and enlightened, yet the multitude in all nations is nearly alike "reflected Lunardi."

Alarmed, the Governors of Chelsea Hospital withdrew their permission for the ascent. Lunardi, suspecting xenophobia, "now sank into the extreme depths of distress."

Happily things were looking up at the Lyceum. London's female society had suddenly taken the personable Lunardi to their hearts and flocked in with subscriptions and pleas to be allowed to ascend with him. Moreover, he was able to persuade the Honourable

Artillery Company to let him use the Artillery Grounds at Moorfields.

Nothing seemed to go right for long though. Lunardi next discovered the proprietor of the Lyceum had cheated him out of the takings, and would not release the balloon unless a share of future profits was made over to him. The Artillery Company went back on their promise to provide a security force, and demanded an indemnity of £500 against possible damage.

Somehow these problems were resolved, and on September 15 all was ready. At midday, Lunardi found himself faced by a massive crowd of 150,000 people who had been waiting since morning. "I have no apprehension but of the populace, which is here; as it is everywhere, an impetuous, impatient and cruel tyrant." He was slightly reassured by the presence of the Prince of Wales, who showed no apparent fear of the crowd.

Filling the balloon with hydrogen was a slow process, but by 2 o'clock Lunardi dared not keep the crowd waiting any longer. The envelope was so far from filled that Lunardi had to abandon the idea of taking up a companion, Robert Biggin ("a young gentleman distinguished by his birth, education and fortune"), and his recording instruments.

So, at 2.05, Lunardi ascended, with a cat, a dog, a pigeon (which escaped), a bottle of wine and cold chicken for company. (Some other comestibles had inconveniently got mixed up with the sand ballast.)

Once in the air, however, every trouble was forgotten. Lunardi beebled what no human eye had ever seen. "It was not possible for me to be on earth, in a situation so free from apprehension.... Thus tranquil and thus situated, how shall I describe to you a view, such as the Antients supposed Jupiter to have of the earth, and to copy which there are no terms in any language... here every thing were a new appearance, and had a new effect."

One again, Lunardi was rescued by the fair sex: "A young woman caught the cord he threw out, and ordered the men to help her pull down the balloon! (The name of this brave lass is happily recorded for posterity; she was Elizabeth Brett, servant to a farmer called Thomas West.) The balloonist returned to London, a celebrity, for months; Lunardi's garters and bouquets were a totem among the adoring ladies."

A special attraction of Lunardi's Account of the First Aerial Voyage in England is that every copy was signed by the author himself. Several copies in different states and conditions, variously estimated between £50 and £500, appear for sale in Sotheby's book sale of July 15. They come from the collection of Andrew Robinson, who organised the first post-war International Hot Air Balloon Rally at Radley, Berks, in 1968. The collection also includes Lunardi's printed accounts of subsequent ascents in Liverpool and Scotland—both rarer than his first booklet—and a very comprehensive coverage of the whole literature of early flight. One of the rarer items (estimate £700-£900) is a pamphlet, issued two weeks before Lunardi's ascent, proposing a Grand Naval Air-Balloon to supply a passenger air service. This was an age of visionaries.

Janet Marsh

Gardening

A schism of roses

IT HAS been a bad three weeks for English cricket, football and tennis, but before you assault the TV screen, spare a thought for England's roses.

This year, they would win any world competition; the bushes of old Rose alba have been heavy with double pink and white flowers; the Musk roses have excelled themselves and the temperamental Beanoes have been bursting out of their skirts of garden twine and wire.

Three weeks ago, a late season became a hot, dry one. As a result, early and late varieties opened together. No thunderstorms ruled the petals in those critical weeks between Ascot and the Wimbledon semi-finals. Just when the flowers were overheating, rain brought the temperature down and released the scent. Most roses are not sweeter in hot weather; last Friday week, as the weather broke, my groups of Damask and Callica roses suddenly let out their scent, like a great sigh of relief.

To an outsider, it must seem that rose growers, like the country, are divided. A minority grow old roses, while the majority plant new roses. Their relationship is not equal. The majority do not dislike the minority's older varieties. Usually, they do not know them or cannot find them and remain content with modern bright colours and uniform, glossy leaves.

The minority are not so accommodating. They positively hate the majority's new roses and regard some of them as an affront. They prefer a rose with a week's season, if it has scent, a romantic French ancestry and a colour between pale pink and

crushed purple. They would not be seen dead among the harsh colours of Queen Mary's Rose Garden in Regent's Park.

Like most schisms, this one has many ironies. At its fringe, the minority are only conservationists, saving roses of no particular merit just because they are old. The majority, too, can be rather philistine, choosing some strident colours which are out of keeping with their setting. Personally, I incline to the minority, while retaining majority sympathies. Protagonists sometimes forget that the barshiest modern roses can look quite charming if picked and segregated indoors. Most of the older roses make bad cut flowers.

It does not bother me if a rose is old, new, French or American. Times pass and already in my gardening lifetime "new" roses are becoming "old." Is the lovely white Nevada now an old rose, as it was bred in 1924? Moderns list it as modern, but they consider the Musk rose Felicia to be old, though it was produced four years later in 1928. I also see signs of nostalgia for Hybrid Teas from the 1930s. Perhaps roses, like houses, will soon be idealised as bushes from the "between-the-wars period."

The schism is rather an insult to our best breeders. They know very well what the minority prefer in older roses: scent, subtle leaves, heavily-



Spraying roses with water, soap and a dash of turpentine—Cassell's Family Magazine, 1894, and reproduced in The Companion to Roses (Viking)

petalled flowers and soft or deep colours. They are trying to breed these qualities into a wider range with greater vigour. David Austin's white Fair Bianca and yellow Graham Thomas. Le Grice's semi-double Pearl Drift and Peter Beales's new Musk hybrid Sedlers Wells are three steps in this direction, launched since 1962.

Meanwhile, this superb sea-vice in the minority's type of

rose. The strengths are their profusion, scent, shapeliness and soft colouring. May I emphasise the charm of the Dan a s k and smaller Portland roses, especially the pink Comte de Chambard among the latter and the ancient pale pink Ispahan son is showing the strength and among the former.

The Comterally does flower a second time in autumn, especially if you dead-head him

this month; his other relations, said to be recurrent, are less obliging. Ispahan is also a double-cropper but I particularly enjoy its early start to the year and its capacity for forming a loose hedge, about 4 feet high, staked and lightly pruned.

As for the vices, we all know and fear black spot, but it is less prevalent after a wet, early season; I try to spray the plants and surrounding soil with Jeyes fluid in early spring to kill off lingering spores. Other problems are less familiar. When you first plant old roses, you are highly likely to overwater them and rush them. Roses like the wonderful white Mme Hardy and pale pink Fantin Latour are essential, but they become shrubs of a certain width and should be surrounded by solid stakes from the start.

At first, you may be disappointed. Older roses develop their full colour and size over three or four seasons.

Though the black spot is less this year, I notice the vice of proliferation. The older, double roses sometimes throw up malformed flower-buds in the centres of their flowers. This vice is more frequent after a cold and wet May. For years, I blamed it on those universal culprits, the greenflies. In fact, nobody knows the cause. Pick off the offending flowers from your Mme Isaac Perrier roses. Proliferation is a hazard of old prolific roses. It will never settle the schism in favour of the non-proliferating moderns in their shades of salmon-pink and carmine.

Robin Lane Fox

Arthur Hellyer sounds the alarm about a dwindling industry

Cherries are put at risk

FOR THE SAKE of a saving of well under £100,000, the cherry orchards of Kent are under threat. That is the annual grant from the Government required to keep the cherry breeding and research programme going at East Malling Research Station.

At one time this work, now producing results which could revolutionise the cherry industry and make it attractive again, was spread between several institutions including John Innes at Norwich and at Long Ashton near Bristol but now, in the interests of economy, it is concentrated at East Malling. The surviving cherry unit there may soon be closed or he subject to crippling restrictions if the Ministry of Agriculture gets its way.

Ten years ago, the ministry tried to stop cherry research at East Malling on the ground that the dwindling cherry industry did not justify it. East Malling fought back and won a reprieve. Since then, many developments have taken place which are already making cherry cultivation more profitable and in a few more years could make it fully competitive against foreign competition especially for the late crop. The same de-

velopments are also of great interest to private gardeners and are already making fruiting cherries a much more attractive proposition in small gardens.

The difficulties that have put many cherry growers out of business are cost of labour, birds, bacterial canker and fruit splitting. Traditional cherry trees are large and so very expensive to manage. Ladders must be used for pruning and picking and powerful machinery is required for spraying.

Long ago, apple growers were relieved of these problems by the introduction of dwarfing rootstocks which enabled even very rigorous varieties such as Bramley's Seedling to be kept so small that all work on them could be done from ground level. The saving in labour costs was tremendous and enabled apple orchards to become profitable again.

No comparable dwarfing rootstocks were available for cherries until about ten years ago when one named Colt, bred at East Malling, was introduced.

Cherries grown on Colt are between half and two-thirds the size of those grown on traditional rootstocks.

It is a significant reduction in size but not enough, so the search for even more dwarfing rootstocks goes on. Colt, because it has three sets of chromosomes, making it a triploid in the scientific jargon, is sterile and so of no further use for breeding but the boffins have produced variants of it with six sets of chromosomes (hexaploids) which are fertile and so breeding with Colt can now continue.

Other cherries have been brought into the breeding programme, some of them wild species, such as Prunus magus, a thicket-forming shrub from the border lands of China, Burma, and Tibet, and P. fruticososa, known as the ground cherry and grown in Britain for three centuries but never previously considered as a rootstock for edible cherries.

Meanwhile Imperial Chemical Industries, in the course of a

routine investigation of a group of chemicals known as triazoles (some of which are useful in controlling diseases caused by fungi), produced one, now named Cultar, which at East Malling proved to be a powerful growth retardant. Very small doses, in the order of 0.4 grammes per tree applied to the soil close to the trunk, will almost completely halt growth for a year or more without harming tree or crop in any way. Cultar has now been released as a growth retardant for apples and pears.

With these new aids it will be possible to produce small cherry trees that can be readily managed from ground level and can be covered economically with nets during the few summer weeks during which the ripening fruits are at risk from birds. Ingenious ways of doing this effectively and quickly have been developed at East Malling and the next step is to devise a method by which a plastic overhead cover can be added to keep off rain during the smaller

period when an excess may cause fruit splitting.

Side by side with all this has gone a worldwide search for new and more profitable cherry varieties. There is a big breeding programme at East Malling making use of material which had previously been developed at Long Ashton and Jona Innes and there is interchange of varieties with all the other cherry breeding organisations throughout the world. Among the newcomers are some varieties that show resistance to bacterial canker and this, if developed, could get rid of another of the serious difficulties in the way of profitable cherry cultivation in the UK.

The monetary saving from closure of the cherry unit at East Malling is so minute that it seems complete folly to pursue it. The difficulty is for such small industry to lobby for its survival with sufficient force to make any impact. Private gardeners would also gain from the new cherry varieties and growing techniques and conservationists would surely be unhappy to see the cherry orchards of Kent finally wind up. The trouble is that there is no one to tell the public what is going on.

John Cherrington

Fishing

Riddle of missing trout

THE LATE spring, which seemed to have retarded the Mayfly hatch on the Test this year, had the same effect on the sea trout run on the Shiel 500 miles to the north. I go there every year during the second week in June, and my friends and I usually manage to catch six to 10 useful sea trout and two or three salmon. This year, we took one good sea trout of about 3 lbs on the last day and nine salmon in the week.

Last year I had 50 per cent of the salmon catch, one fish. This time I caught only one fish. At all times I used the same flies and techniques of my more successful friends while fishing the same pools.

The river was higher than usual but the water was very clear and we could see no fish at all in any of the favourite

low water pools. There was also very little in the way of movement. Very few fish head and tailed or jumped yet there was never a blank day. Size was good, too, with salmon up to 24 lbs and most had sea lice and were in very good order.

The absence of the sea trout was strange. Usually the sea pool is full of snook, young sea trout coming in on every tide, and larger ones as well. But things were very quiet and the only activity was from the brown trout for which there was an abundance of fly. Quite

enough to fill a basket if I hadn't lent my dryfly tackle to a friend before coming north. In desperation, I fished with sea trout flies made to float with a little ham fat from my sandwiches.

There were reports of good fishing on the Lochy, which runs up the Great Glen from Fort William, traditionally a late summer and autumn river which has been in the dumps lately. Generally there was an optimism around that perhaps the decline in salmon stocks has been reversed and there will

now be a gradual increase in the numbers returning to Scottish rivers.

There are actually three groups involved in the Scottish salmon business. There are the coastal and river netting interests catching fish for commercial gain and the rod fishermen and the riparian owners who let the rods.

Then there are the fish farmers. If you travel round the west coast sea lochs, every sheltered corner seems to be occupied by floating cages holding salmon being fattened

in salt water. These fish are reared to the smolt stage in fresh water lochs when they look like small trout. Once they turn silver in the smolt stage, they are put in the sea cages where their growth rate is phenomenal.

It is an expanding industry and increasing output has led to a fall in prices for wild salmon which has upset the net fishermen. The riparian owners also disapprove, claiming it will mean changing the characteristics of the individual strains of fish peculiar to their rivers. To me, all salmon whether farmed or wild look about the same and I would have thought that an increase of blood, probably introduced by a bit of hybrid vigour and certainly bigger salmon.

John Cherrington

Mad dogs and Englishmen



SUNBURN CAN make holidays a misery, so most people use sunscreens—suntan lotions or creams—and gradually build up the time spent sunbathing. Sunscreens are marketed with sun protection factors (SPF), suitable for different skin types, and in theory their introduction several years ago should have resolved the problem of sunburn once and for all, but this hasn't quite happened.

The theory is that dark skinned people should be able to get by with an SPF of only 2 or 3, while those with more sensitive skins may need an SPF as high as 10. But it is really up to the individual to find out the most suitable SPF, and even then the level of protection can vary considerably from one product to another. And if this sounds uncertain, well, it is. Problems arise because the method of determining a product's SPF varies in different countries and even between manufacturers in the same country.

Tests are conducted by shining ultraviolet light onto areas of the backs of volunteers and measuring the time taken to produce a level of redness known as the minimum erythema dose. Suntan lotion is then applied to previously unexposed areas of the back and the time taken to produce redness is again measured. This figure is divided by the time taken to burn without suntan lotion. For example, if it took five minutes to achieve the minimum erythema dose without suntan lotion but 20 minutes with the lotion, the SPF would be 4.

Obviously, the time taken to achieve the minimum erythema dose depends on the individual's skin type. It might be argued that no categories on really matters, since the worst result of choosing an unsuitable suntan lotion would be a bit of discomfort and sunburn. But the long-term results could be more serious. The incidence of skin cancer has increased as foreign holi-

days have become more popular and suntans considered more attractive.

A slight inflammation is enough to stimulate melanin, the pigment in the skin which causes us to go brown and which offers some protection against the sun's harmful effects. Such inflammation should not cause discomfort, obvious redness or peeling. It is advisable to spend very short periods in the sun during

Cate Campbell warns that too much sunburn can do more than just ruin your holiday

the first few days of a holiday and build up exposure gradually. Half an hour can be too long on the first day.

It is a fallacy that you need to go lobster red before turning brown. Several doses of sunburn over a number of years can lead to skin damage, such as wrinkling, blotches, enlarged blood vessels and skin cancer. And the once a year severe inflammation experienced by many holidaymakers, who persist in exposing their skins to sunlight even after burning has occurred does the most severe harm.

This does not mean you cannot sunbathe safely or that you should panic. Sensible precautions will protect your skin from the sun's harmful effects and ensure you have a longer-lasting tan.

Sunscreens do offer protection, and it is probably wise to use one with high SPF at the beginning of your holiday, particularly if you have sensitive skin. Young children should always be protected with a high SPF product.

If you do burn, stay out of the sun for a couple of days and build up exposure very gradually thereafter. Even if you feel comfortable and believe you could stay longer, don't—you'll suffer later.

Use a high protection factor product throughout your holiday on areas of the body which burn easily, such as the nose, shoulders, thighs and around the eyes. If your hair is thinning, wear a hat.

Remember that you can still burn when it is cloudy or when swimming; use a water-resistant suntan preparation, such as Uvistat Aqua. It really is only mad dogs and Englishmen who venture out at midday. Do what the natives do: get up early and enjoy a siesta after lunch—but never fall asleep in the sun!

DIVERSIONS

Sitting out the heatwave

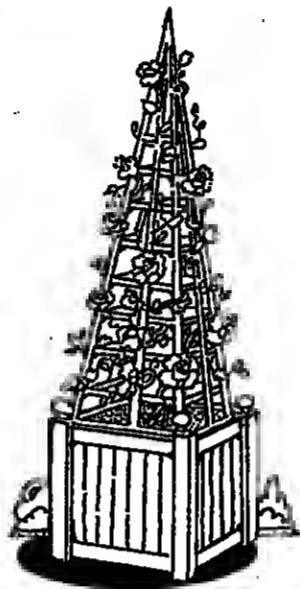
NOW THAT we have been reminded of the very real pleasures of summer days, and our confidence in the possibility of cloudless skies and rising temperatures has been restored, it is worth looking at a few of the props that will add to the pleasure of the outdoor life.



Keep cool under a parasol made from natural cotton canvas and pale timber. If the natural look is what you're after, there's lots of matching furniture as well. All from Barlow Tyrie



Lucia van der Post



Not everybody goes for the natural look; for some the formal garden is more their scene. Formal gardens need formal props—so what about a Versailles tub and a pyramid trellis?

(another garden furniture designer) who believes in natural materials and produces a collection of furniture peculiarly well adapted to our shores, these are rather more dramatic and less self-effacing than his usual offerings.

As Andrew Crace points out, they can easily and quickly give a garden a surprisingly mature and "planned" look, so it is not surprising that they are much in demand by landscape designers hoping to give a garden an instant face-lift.

directly from the company. For a catalogue and further details write to Andrew Crace Designs, Bourne Lane, Much Hadham, Herts SG10 6ER. (Tel 027984 2885).

Anybody who has succumbed to the seductive pleasures of a conservatory but is still in some doubt as to how to make the best of it might like to know about Gardens Under Glass.

Susan Heath and Jane Bland operate in the Buckinghamshire area, but are happy to travel and also offer a Plant-by-Post Service. Write to them at Gardens Under Glass, Prospect House, 133 White Lion Road, Amersham Common, Bucks HP7 9JY.

conditions, which will flourish no matter how little care they get—all this advice is part of the service. Gardens Under Glass will also supply and plant out the plants and will leave you with detailed instructions of exactly how to care for them.

Susan Heath and Jane Bland operate in the Buckinghamshire area, but are happy to travel and also offer a Plant-by-Post Service. Write to them at Gardens Under Glass, Prospect House, 133 White Lion Road, Amersham Common, Bucks HP7 9JY.



Peter Will demonstrating his Feed-a-Ball machine

Anyone for machine tennis?

EVERY YEAR around Wimbledon time the tennis writers hoic their phrases and try to find new ways of asking the old question—why has Britain been so long without a champion of its own to cheer?

He cites the fact that the Lawn Tennis Association provides some 40,000 children a year with six free tennis lessons but only 1,000 of those go on to join a club. They get discouraged, he feels, because they just do not get to hit enough balls in those lessons to begin to see the pleasures the game could bring.

Mr Will got so discouraged watching children get dis-

height and angle can be altered simply. It folds down easily so that it can be carried in the carboot.

Its main disadvantage is that it needs somebody to operate it—however want to practise has to persuade somebody else to operate the machine. You may ask why, therefore, do you need the machine. The answer is that most beginners are incapable of hitting each other enough good balls to provide any decent practice—the machine will do this much more skilfully. The player can practise, say, 50 backhands, followed by 50 forehands, followed by volleys and smashes.

Its other disadvantage is that if the player improves a great deal he will outgrow it—it is primarily a tool to teach beginners the basic techniques. Clearly, it is ideal for schools and clubs but a group of parents might consider investing in one for their children and then later selling it secondhand. It is sturdy and looks almost indestructible, but as it is such a new invention, it is difficult to tell exactly how long it will last.

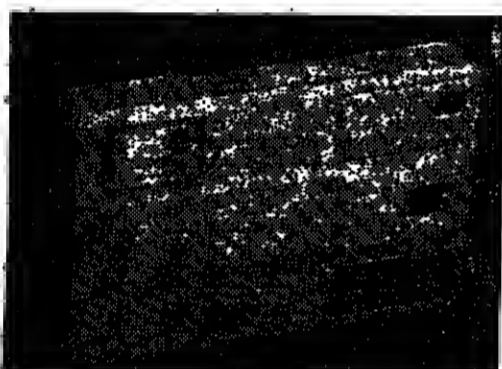
couraged that he set about designing a ball-machine that would feed balls to a child or any other beginner so that they could have a chance of mastering the basic techniques. He finally came up with his Feed-A-Ball. It has several advantages over existing ball-machines. First, it is light and easy to carry. It needs no power to operate—it is important as children are nearly always sent to far courts, away from electric outlets. Above all, at £150, it is much, much cheaper than its nearest rival which costs £500.

The machine weighs 12 lb, stands 50 inches high when in action on court and holds up to 20 balls in the hopper. It sends balls consistently and accurately to the player and the

For the moment Feed-A-Ball is available for £150 directly from Peter Will, Courtkits, 10 Purbright Road, Farnborough, Hampshire.



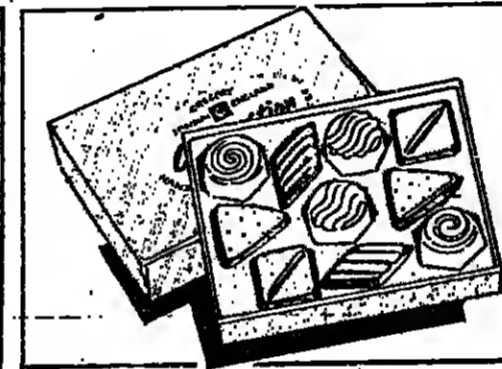
Bags of fun



Colour it purple



Clean break



Forbidden fruits

ANYBODY planning on doing any packing this summer, may be looking for some attractive bags. Collier Campbell, a lively design team made up of two sisters, Susan Collier and Sarah Campbell, have just produced some of the most attractive new luggage I have seen.

They are probably best known for their fabrics, many of which have won design awards, and are to be seen at windows and on sofas up and down the country, but they made a little detour into luggage simply because they could not find anything that they could hear to use themselves.

They naturally designed the fabric themselves and very jolly it is too, with a cream base and a jolly jumble of Paisleys and other images superimposed in bright colours. The fabric is 100 per cent cotton canvas, is waterproof, backed, and all handles and trimmings are in leather.

There are several shapes and sizes in the range, but just two are sketched here—a spacious document case (much, much nicer than all those stiff briefcases) that measures 1 ft 5 ins across by 1 ft 4 ins and costs £35.

Behind it is a large suitcase which can be carried over the shoulder. It is 2 ft 4 in across by 1 ft 4 in high and costs £90. The range is stocked by Army

and Navy, 101, Victoria Street, London, SW1; Harrods, Knightsbridge, London, SW1; Josue Taylor of Cambridge; Bobate of York; and Rossiter of Bath.

LE CLIC could be said to do for photography what the Swatch has done for watches—in other words it is the camera as a fashion accessory rather than serious equipment. Just as with the Swatch, you choose your camera to match your wardrobe—pink, purple, grey and yellow all make a decided statement when the prevailing prejudice for cameras runs in favour of black.

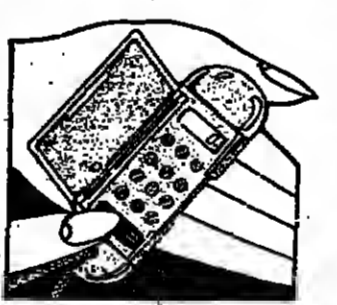
It is cheap enough at £29.95 for nobody to expect it to produce photographs like Parkinson or Donovan. On the other hand, the quality of the end-product is certainly up to most holiday snap standards. This is the sort of camera that could be happily given to a child or teenager, and who knows, it may be the beginning of a lifetime's hobby. The cameras will be appearing in the shops this month and if it is anything

like as successful here as it has been in America, its creator, Keystone Camera Corporation, is set to make as big a killing as the inventors of the Swatch.

GREGORY AROMATIC OILS make some of the most unusual soaps I know. They do not have quite the refined air of the best of Floris or Roger & Gallet. But they are beautifully packaged and are made entirely from pure vegetable bases, natural vegetable colourings and are perfumed only with essential oils. They also package beautifully—witness their travel soaps—two small square soaps in two of their perfumes presented in a cardboard air mail letter pack for just 85p. A practical and inexpensive present.

Equally charmingly presented is the box of Confection Soap—each tiny hand-soap looking almost exactly like a chocolate. You can have a small box of five soaps for just £2.25, a medium box with 10 soaps for £3.95 or a large box of 20 for £6.50. Again, they would make a good present. Colours and scents include Bergamot (deep green), Jasmine (pale pink), Lavender (blue), Lemon (yellow), Myrrh (grey), Rosewood (deep red), Sandalwood (brown), Tea Rose

(deep pink) and Ylang Ylang (white). You can buy them at Liberty of Regent Street, Naturally British of 13 New Row, London WC2 or by post (85p extra for the Travel Soap and the small box of Confection Soaps) from C. A. Gregory Aromatic Oils Ltd, 78 Princesade Road, Holland Park, London, W11. Look out, too, for the other beautifully presented soaps and aromatic oils.



IF YOU ARE among the small band that does not own a calculator you may find that the X-changer is a brighter, more friendly introduction to the joys of electronic gadgets. The X-changer is designed to make the calculation of the true price of that holiday souvenir instantly available—you punch in the current exchange rate, then the price of the object and

the sterling equivalent is displayed at the top.

As one who is liable to calculate these things rather sloppily, the arrival of the hill at the end is often a shock. With the X-changer you can work it out instantaneously and precisely. Wear it slung around your neck, clipped to your belt or attached to a key-ring. It is very slim and compact, weighs almost nothing and at just £4.99 seems a good investment. Choose from black, white, yellow or fuchsia. Find it in Boots, W. H. Smith, Underwoods and at UK airports.

FEW OF us have easy access to regular supplies of fresh herbs so it is worth knowing about Peter and Jackie Pett's The Herbarry, Prickwillow, Ely, Cambs CB7 4SL, who will dispatch a wide selection of culinary herbs by post. They offer some 25 different herbs, including old favourites parsley, sage, marjoram, chives, thyme and lemon balm. There is also a selection of those that really need a garden (as opposed to a tub or windowsill) such as sorrel, lovage, salad rocket and salad burnet.

You can order them directly from The Herbarry, Prickwillow—a pack of six costs £3.00, 12 £5.70, 18 £8.50 and 24 £10.90. Drawings by Ann Morrow

All prices include postage and packing. If you would like the full list of all the plants write to them or telephone 0353 8456.

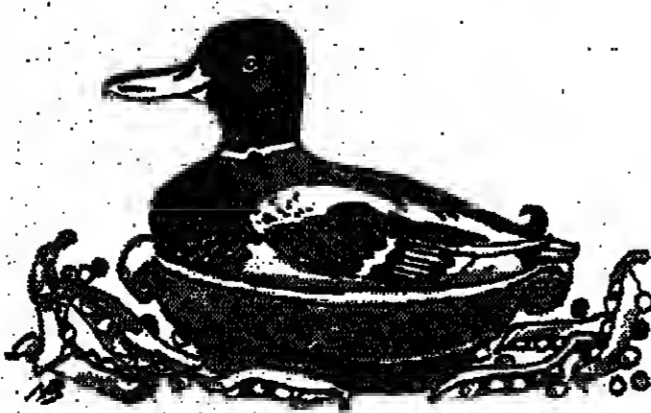
FT second safari trip

WHEN I WROTE about the FT Lure of the Wild safari to Zimbabwe in March we were inundated with readers eager to join. The first safari was so over-subscribed that we persuaded Alan Elliott and Abercrombie & Kent to lay on a second one, covering almost the identical ground, though in reverse order. As it took some time to confirm the dates for the second trip, many of those eager to join had already made alternative arrangements by the time we contacted them.

This means that if there is anybody still keen to go, who can manage the dates (October 3 to 19), there are a few places left—for two couples and one single woman, to be precise. If you are interested, write to: Abercrombie & Kent, Sloane Square House, Holborn Place, London SW1W 8NS (mark your envelope Lure of the Wild). They will send you a detailed itinerary.

Cookery

Know your peas and cues



Nick Baker

POT-ROAST DUCK WITH PEAS

(serves 4). 1 x 5lb fresh duck; 1-1½ lb fresh or frozen peas, shelled weight (allow up to 3lb peas in their pods); 1 large lettuce; 1 bunch spring onions; half a lemon; a few sprigs of mint; 1 pt good stock made from

the duck giblets; a few tablespoons thick cream or creamy Greek yoghurt; 1-2 egg yolks (optional); salt and black pepper.

Frick the duck skin all over with a fork, angling the fork shallowly so that it does not pierce the flesh. Put a thin

SWEET FRESH young peas are one of the pleasures of summer—or they should be. These days they seem almost impossible to buy. The shops are full of mange-tout, but it seems that the only way to obtain proper old-fashioned peas, so succulent, tasty and fresh from the pod as they should be, is to grow them yourself or beg them from green-fingered friends.

Some greengrocers still sell so-called peas of course, but in my experience their offerings are little more than ungraded bullets—coarse, bloated and starchy.

Frozen peas are a disappointment too. They look small and enticing. Certainly they are sweet, but flavour has been bred out of them, sacrificed in favour of commercial advantage. Designated for mass planting, harvesting and freezing with ease, these peas are bland and characterless, sadly lacking the delicate yet distinctive taste of real peas.

Real peas need little embellishment to make a feast. Scatter them raw over a salad of lettuce hearts; lightly steam and butter them; mix them perhaps with a few matchstick-sized slivers of fried cucumber. Treats indeed.

hand frozen peas remain lifeless if given such simple treatment. They need much more help from the cook. One solution is the soup pan, in which you can cook pods and all. Sieve the mixture afterwards to extract all the stringy bits. Also good is the old trick of anointing second class peas with fat and stewing them at length with flavourings like onion, lemon juice and pepper plus a lump of sugar or a sprig of mint for a hint of sweetness.

Such long slow cooking may seem unnecessary for tender frozen peas but it gives them the chance to drink up some of the surrounding flavours and so improve themselves.

The recipe which follows, once traditionally served at Whitsun with the first of the season's peas, is as good a way as any I know of making the most of frozen or OAP peas when you can't get hold of the real thing.

down into the juices all around the bird. Cover the casserole again and simmer very gently for a further 40-50 minutes until the meat is succulent and well cooked and the vegetables are tender and swollen with the duck juices.

Transfer the duck to a warmed serving dish, arrange the drained vegetables around it, cover and keep hot.

Let the cooking liquor stand in the casserole for a minute or two so the fat rises to the surface. Then, using a hulk haster and plunging it deep into the casserole, draw off a generous 1 pt of the fatless juices. Fast boil them briefly to concentrate the flavour if necessary.

Away from the heat stir in 2-3 tablespoons Greek strained yoghurt or, for a richer and thicker sauce, 2-3 tablespoons thick cream beaten with 1-2 egg yolks. Blend and reheat very gently to prevent curdling. If using an egg and cream liaison, stir continuously until the sauce is slightly thickened. Add lemon juice, salt and pepper to taste, and serve in a sauce boat garnished with a fresh sprig of mint.

Philipa Davenport

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# A promising prince

**HENRY PRINCE OF WALES AND ENGLAND'S LOST RENAISSANCE**  
by Roy Strong, Thames and Hudson, £12.95, 264 pages

WHEN, on April 6 1603, James VI and I crossed the River Tweed and entered his new kingdom, he cut an odd and unimpressive figure. A shortish person, who looked somewhat clumsy and stouter because he wore a padded undergarment, and whose "walk was over circular, his fingers over in that walk fiddling about his coat-piece," he had a pleasant table-manner, and gobbled his wine as if he meant to crunch the glass.

Still, he was erudite, being especially versed in demonology and witchcraft, fond of hunting and of the exotic animals with which he stocked his royal parks, and not averse from plays and pageants. Moreover, he had been three children. When he succeeded, Henry, his heir, was nine years old, his daughter Elizabeth six, and Charles, the future sovereign and "martyr," just three.

At first, Henry was clearly the most promising. That same summer, at Windsor where he attended the Garter Ceremony, his "quick witte answers, promptly carriage, and reverend performing his obedience at the altar," produced an admirable effect. While, in 1604, during his father's state entry of London, he appeared "smiling and overjoyed to the people's eternal comfort," and "saluted them with many a benediction," unlike the King himself, who throughout the long procession wore an air of stolid patience.

On his parents had established their new court, Henry soon began to do them credit, danced gracefully in one of Ben Jonson's masques, and gained further distinction—he already showed a martial spirit—by his callant behaviour in the tiltyard. Although his attitude towards the King was properly respectful and obedient, father and son can seldom have possessed more completely different natures. James made no attempt to disguise his paederastic inclinations; his Danish Queen was a frivolous gadabout devoted to dancing and personally appearing in a masque or play; and their Court

was notorious, particularly at Christmas and the New Year, for tipsiness and general licence.

All this, though he restrained from open criticism, evidently shocked the Prince; and his own household he ruled with considerable strictness. He insisted, his admiring Chamberlain told the Tuscan envoy, that every kind of feast "should pass with decency and decorum, and without all rudeness, noise or disorder." Swearing was fined; and even on the ships that his servant Thomas Bullon chose and fitted out for a voyage to explore the North-West Passage, "religious care," he announced, "must be maintained throughout the whole vessel, and no quarrelling, drinking and lewd behaviour" be rigorously repressed. He did not, however, neglect fashion, since he befitted a personage of royal blood, and "loved to see hand-some and well-clothed," but disdained, on the other hand, "any manner of superfluity or excess."

Nor, so far as his attendants could see, was he ever to the least addicted to the pleasures of amorous intrigue, and amid all the temptations his parents' Court offered, was thought to have remained resolutely chaste. "His affection and passions," wrote Francis Bacon in a biographical sketch, "were not strong, but rather equal than warm"; and his present biographer is inclined to believe that he was "basically a cold, withdrawn character, dominated by his ambitions and ideas and an almost alarming taste for self-improvement."

Had he succeeded to the throne as King Henry IX, what would have been his effect on the course of British history? Similar speculations many historians avoid. But in his carefully documented book, Sir Roy Strong makes two interesting guesses. On the one hand, sharper, better-balanced mind, might have somehow circumvented the conflict between King and Parliament that, under Charles I, led to the disastrous Civil Wars. On the other, he admits that Henry's secret ambitions might perhaps have plunged the country into a fearsome European struggle, when he became the leader of a Protestant coalition—he was always fiercely anti-Catholic—

against the Papacy and Habsburg Empire.

"There were indeed in the Prince," observed Bacon soon after Henry's sudden death at the age of 18, "some things obscure and not to be discovered... a statement with which the letter-writer John Chamberlain agreed: "His papers showed him to have had many strange and vast conceits and projects," which may possibly have included a dream of opposing and defeating, or at least curbing the strength of, the belligerent Catholic powers. He envisaged himself as Europe's Protestant hero; and in that capacity he might well have proved an extremely dangerous British ruler.

But the hopeful Prince who never ascended the throne, as Roy Strong successfully demonstrates, had a much more sympathetic aspect. He also dreamed of launching a British Renaissance. During the 16th century, England's literary and artistic civilisation had fallen far below the European level; Nicholas Hilliard was our only original artist; and the huge palaces Henry VIII had raised with the help of foreign craftsmen, though imposing and splendidly furnished—the splendour of the English Court was famous—contained no statues or pictorial masterpieces that could rival those of Europe.

Henry attempted to reverse the balance; he collected pictures, statues and objects of virtue, and did his best to build up an impressive library through all the connoisseurs he could assemble. European sovereigns and governments, too, showered him with welcome gifts, canvases, princely suits of armour, antique gems, and—on acquisition he especially prized—a series of bronze statuettes after Giovanni da Bologna.

The pleasure he took in that last gift shows Prince Henry at his best. Elsewhere, both from Roy Strong's account of his doings and from the portraits reproduced, we have the impression that, with his large bony nose, small tight mouth and cautious, hooded eyes, he may have somewhat resembled a cool young 20th-century executive, who keeps his feelings under firm control. But, when he received Bologna's statuettes in a horse—the first, by the way,



Detail from a 1612 engraving of Prince Henry by Cornelius Boel

In reach this country—he early winter of 1612, the Prince exhibited genuine emotion, and seizing one of them, he kissed it.

His brother Charles, whom he loved but did not greatly esteem—"If my brother is as learned as they say," he had once remarked, "we'll make him Archbishop of Canterbury"—must have noticed his response; for, when, during the

# Moral in metaphor

Fiction

**THE SHRAPNEL ACADEMY**  
by Fay Weldon, Hodder and Stoughton, £9.95, 186 pages

**A BIT OF A DO**  
by David Nobbs, Methuen, £9.95, 244 pages

**THE BRIDGE**  
by Iain Banks, Macmillan, £9.95, 259 pages

**A MATTER OF HONOUR**  
by Jeffrey Archer, Hodder and Stoughton, £9.95, 350 pages

WITHOUT WISHING to alarm you, it should be said at once that three out of these four novels seem likely to be among the best published in the UK this year.

That is not necessarily to say that they will be widely read and discussed, still less that Fay Weldon, David Nobbs and Iain Banks will enjoy significant commercial success—though these are consummations devoutly to be wished.

Fay Weldon, resident literary specialist in moral fables for our time, in particular for feminist stargazers, shifts her ground—or, rather, quicksand—in her tenth novel, *The Shrapnel Academy*, is one of those quasi-scholarly, well-funded, still less that Fay Weldon, David Nobbs and Iain Banks will enjoy significant commercial success—though these are consummations devoutly to be wished.

To the Shrapnel Academy named in memory of Henry Shrapnel who invented the exploding cannonball in 1804 come suitably distinguished guests and, in an amalgam of administrative incompetence and random coincidence, some distinctly unsuitable ones. A stately march of ceremonial hospitality progresses towards the delivery, by General Lee Mackeshtoff, of the annual Wellington Lecture. But what actually happens is a metaphorical Armageddon: world war à la Weldon, strategically planned and launched by the force upon which all such grand, ceremonial nonsense conducted in grand, ceremonial style inevitably depends: the servants.

In characterisations and rich detail of human response, Where Fay Weldon's fables are Grimm, David Nobbs's bourgeoisie, pert as well as perty; geosie, pert as well as perty; party invitations, tinkling glasses, and some of the best English dialogue now being put between hard covers as well as into television scripts featuring Reginald Perrin. The theme here is adultery, with all its attendant humiliations and loss. In David Nobbs's hands it is no hackneyed theme. His book is very funny, and very sad, and he fights the feminist fight under the same banner as Fay Weldon, if you look.

Iain Banks, late of *The Wasp* Factory and *Walking on Glass*, has produced a third novel which reinforces the suspicion that in every way he is getting better and better. "I'm going to be more of all that stuff: I'm just going to be a hit more careful in future." A powerful imagination, expressed in language remarkable for richness and precision, develops to this first-person narrative of a car crash. Such consciousness as remains to him is pegged to the image of a bridge—probably the Forth Bridge, here swathed in fantasy overlaid with flashesback of reality as John Orr fights for life, last seen "leaking away on to the road."

The story line, jagged but admirably coherent, spans six months of amnesia, the brain swaying a bridge between oblivion and recovery. Below a complex superstructure of incident, lively characters, working class Glaswegian dialect, the RP of intellectual debate and the language of the hand translated into scene of vivid tenderness and excitement, there emerges the clear outline

**THE NEW OXFORD BOOK OF IRISH VERSE**  
edited by Thomas Kinsella, Oxford, £12.50, 423 pages

**THE FABER BOOK OF CONTEMPORARY IRISH POETRY**  
edited by Paul Muldoon, Faber & Faber £10.95 (£5.95, paperback) 415 pages

THE Oxford Book of Irish Verse has been long in need of replacement. As one would expect from a poet renowned for his translations from the Irish, Thomas Kinsella has laid great emphasis in *The New Oxford Book of Irish Verse* on the importance of poetry in the Irish language, a poetry which, as he says, "served its people, in what ever ways a poetry does, for a thousand years before the curse of Cromwell fell upon them, and it, and which for some hundreds of years afterwards flourished in a decline."

From the nineteenth century onwards the native tradition has been plundered by poets writing in English, with results as diverse as Thomas Moore's Irish Melodies, James Clarence Mangan's versions of traditional Irish songs, and the first-hand knowledge of Irish and some of both the best and worst of the Irish tradition has been a more subtle, even insidious operation, whereby certain flowers and plants, a certain diction, a certain technical formalism immediately identify contemporary poets such as John Montague, Seamus Heaney and Derek Mahon as a living part of that same tradition.

For a practical demonstration of the richness of the Irish tradition in its many beautiful manifestations, one can turn with confidence to Thomas Kinsella's selection. Kinsella has done much to bring lesser known Irish poems to the notice of the non-Irish speaking public, and has produced a substantial body of original work. He is also a well-respected academic, holding the Professorship of English at Temple University in Philadelphia.

However, any major new anthology is bound to provoke a certain amount of controversy. In this case I believe that there are few people who would blame Kinsella for over-correcting the balance towards Irish poets: in translation at the expense of the native tradition of the eighteenth and nineteenth centuries. "Anglo-Irish," but many, I think, will share my initial reaction of shocked horror on discovering that, with two minor exceptions (Mahon and Pearsall) every single translation from the Irish is by Kinsella himself.

He says in the Preface that because of the unevenness and inaccuracy of many existing translations, "for the purposes of emphasis and general usefulness it seemed better to use all new translations: these transmit the essential contents of the originals in their major basic rhythms." This may please the purists, but it will not please those who already know



Seamus Heaney: "One of the most consistently impressive Irish poets after Yeats"

# A poetry to serve a people

uneven and inaccurate translations.

Instead of Frank O'Connor's highly acclaimed rendering of Brian Merriman's long narrative poem, *The Midnight Court*, in rhyming couplets, we have Kinsella's blank verse. True, one gets a better idea of the use of language in the original than satisfy as a poem in English. Similarly, Robin Flower's version of *Panurge Ban*, one of the most delightful monastic poems, is memorable as poetry in a way that Kinsella's is not.

"I and Panurge Ban, my cat, This is a like task we are at; touting Mice is his delight, hunting words I sit all night." (Flower)

"I myself and Panurge Ban, we each have our particular skill. His mind is fixed upon the hunt, mine upon my pen; his chosen craft (Kinsella) However, some of Kinsella's translations are excellent—I especially admired his *St Patrick's Breastplate*. There are many gems from Irish poetry of the 16th and 17th centuries that were new to me. As one moves on to the 18th and 20th centuries (less Kinsella, more originals in English) the enclivity of the Irish poetic tradition and its unique qualities become, if anything, ever more obvious. In the end I found myself agreeing, intellectually, with Kinsella's decision to exclude other translators, while raging at him emotionally for not making a few more exceptions to the rule.

Much praise must be given to the explanatory and geographical notes which are grouped at the back of the book.

# In the covers

ALTHOUGH 1986 may not prove an outstanding cricket season. It has already underlined the extraordinary popularity of cricket books, because never before have so many been published. As publishers are not noted philanthropists there clearly must be a market, and one certain best seller is the *Wisden Book of Cricketers*, edited by John Woodcock, and at £14.50 hardback with 1,208 pages provides the best value in terms of volume. It provided one surprise. For the first time I failed to recognise instantly one of the five cricketers of the Year, Phil Blairbridge, and it took me even longer to name his country.

The pocket-sized *The Playfair Cricket Annual*, edited by Bill Frindall (Queen Anne Press, £1.75), remains an essential part of any cricketer's equipment while the same publishers have produced a fascinating reference book (though one which I pray not to feature for sometime). *The Wisden Book of Cricketers 1892-1985* has been compiled with loving care by Benny Green and contains the cricketing bones of no fewer than 8,674 whom Wisden judged to warrant a posthumous mention. Occasionally one wonders at the judgment and sometimes at the text.

Although *Twin Ambitions* by Alec Bodger (Stanley Paul, £9.95, 217 pages) is closer to a personalised inside story of his 40-odd years in first class cricket than an autobiography, it is full of interest.

Alec was a great international bowler, managed three England overseas tours and served as a selector, and as chairman of selectors for around two decades. Distinctly conservative, he holds strong, rather predictable views on many aspects of the modern game, including overseas cricketers, slow over-rates, standards of behaviour, limited-

overs cricket and the advantages of an amateur skipper.

In addition to the normal big home crop of cricket books, plus the ghosted autobiographies and hastily penned tour-accounts, there is an unusually large overseas quota. From India comes a *Maidan View* (George Allen & Unwin, £11.95, 175 pages) in which Mihir Bose expertly examines the development of Indian cricket. The game has captivated what Mihir calls "Middle India," consisting of some 200m, who enjoy a life style which, though different, is as good, and in some respects superior to that of most Europeans. This is the section which has subsidised cricket. Not surprisingly neither the passion, nor the players are to be found among the 600m existing in poverty.

From Australia comes *Trumper* (Hodder and Stoughton, £12.95, 257 pages). Peter Trumper has written a definitive biography of the Lochinvar of Australian cricket. It has been beautifully, and lovingly researched but some of the extracts of long forgotten matches lack the colour of the subject. Nobody disputes the genius of Victor Trumper's batting, which is more than substantiated by his contemporaries, but did Aubrey Faulkner really send him down three consecutive yorkers, which Trumper promptly despatched to the on boundary underneath his raised left leg?

The memoirs of Australia's longest serving, and best known cricket-commentator Alan McGilvray who had also been a first-class cricketer could not fail to be interesting. The game is not the same, as told to Norman Tasker (David and Charles, £9.95), takes the reader on an essentially civilised cricketing tour of Alan's life, but his fascinating life deserves more than 188 pages.

Trevor Bailey



# CRIME

**HARDBALL**  
by Douglas Hornig, Macmillan, £8.30, 209 pages

**SAID THE BLIND MAN**  
by Jenny Oldfield, Macmillan, £7.95, 192 pages

**DOUGLAS HORNIG'S Hardball** is the latest in Macmillan's successful series of imported American private eye stories. Loren Swift, the protagonist, is

Charlottesville, Virginia, where you would think an investigator would have little to keep him busy.

In fact, as the story begins, Swift is considering changing professions (also because he has recently had a rough experience); but, to pay back the local sheriff for past favours, he takes on what seems a simple assignment. It is not simple, and soon involves also his attractive girlfriend and her brother. Though the story has plenty of action, Doug Hornig takes his own time telling it, allowing himself amusing diversions about baseball, the South, computers, and other subjects.

Jenny Oldfield makes a promising debut in *Said the Blind Man*. Judi Dawson, small-town reporter, is endowed with a healthy curiosity, which gets her into an unhealthy imbroglio. She is an engaging character—it would be nice to meet her again—and her story is told with dash and skill.

William Weaver



Fay Weldon: in front of the servants

# Help at low level

**THINKING IN TIME: THE USES OF HISTORY FOR DECISION-MAKERS**  
by Richard Neustadt and Ernest May, Free Press (Macmillan Inc. New York) \$19.95 328 pages

THIS STUDY results from a decade of teaching senior public officials at Harvard's Kennedy School of Government how to apply the lessons of history in making decisions. The purpose of the book is didactic and practical. The authors seek to establish a series of "mini-methods," mostly questions to be asked, derived from a study of some 30 case-histories from the recent past which will, at least marginally, improve the level of decision-making in the future.

Neither writer is an ivory tower idealist; Ernest May is one of the country's premier diplomatic historians with considerable consulting experience in Washington, DC, while Richard Neustadt, the author of *Presidential Power*, a well-known and indispensable book for students of American government, has spent a good portion of his career in public service.

In sharp contrast to British practice, interchanges between academic and governmental circles are frequent in the United States and the belief in self-improvement through education at any age strong in the American tradition. Neither writer assumes a high level of historical literacy on the part of their readers nor do they aim at more than minimal improvements in performance. But they do believe that the ability to use historical analogies intelligently and to place them in their proper context within relevant frameworks can be taught and that decision-makers can be alerted to the need of looking at problems as part of a continuous "time stream" with past histories and future consequences.

These "mini-methods" owe something to the massive work

done in the United States in the fields of decision-making, crisis management and bureaucratic politics but are based primarily on a consideration of historical examples of good decision-making. The Cuban missile crisis and Beago's rescue of Social Security in 1962 and a whole series of poor or disastrous decisions, most, though not all, from the post-1945 period. The authors' approach is to use the historical evidence to convince their readers of the importance and applicability of their recommendations.

There is almost no analytic jargon in these pages; indeed there is a tendency to simplify, underline and repeat the basic points so that they are pellucidly clear. Though there is much new and fascinating material on personality clashes and intra-departmental feuding and confusion, new light on decisions in Korea and Vietnam and on Skybolt and Salt II, this book presents only the tip of the historical iceberg. The case studies used to teach students how to approach and apply the "lessons of the past," are not included though they are available. The historical material given here, interesting in its own right because of the authors' research, experience and contacts is clearly subordinate to their primary didactic purpose.

It is only in the final chapters that the writers return to the traditional defence for studying history (so disliked by some Oxbridge professors), the applicability of past experience to present practice. Indeed, Thucydides heads a small list of recommended books which extends from the ancient historians to the memoirs of Harry Kissinger selected not only for their excellence but because they are "stories well told."

Neustadt and May make only the most modest claims for their professional discipline; reading history may encourage that thinking in time streams which they are trying to inculcate in their readers. They

Zara Steiner



ARTS

High summer of the Baroque

NEOPOLITAN drama and... Renaissance returns in the London gallery scene this summer with Matthieson's important exhibition 'Baroque III, 1630-1700'.

Not a single gruesome martyrdom is to be seen and no bloody murders which may come as a surprise after the vicarious tea-party reaction of many critics to the Royal Academy's great exhibition of four years ago.

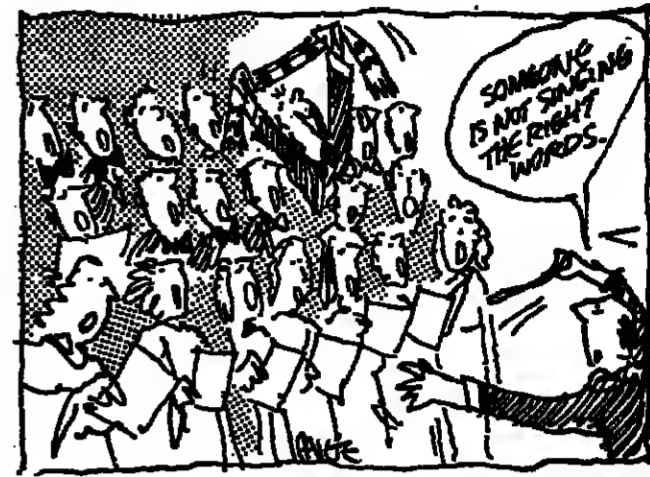
begging. Again, Rosa's originality shows in the twist he has given to the theme which patrons expected, of hard-working peasants.

However, for elaborate subject-matter the prize goes to the third of the art-historical high points of this exhibition, Bernardino Mei's Alexander the Great and the Fates.

original of half-a-dozen of this subject. The tones are sand and ivory, the effect from a distance muted, yet wait a while and St Francis's reverie creates a formidably intense mood.

Patricia Morison

A chorus of gifted amateurs

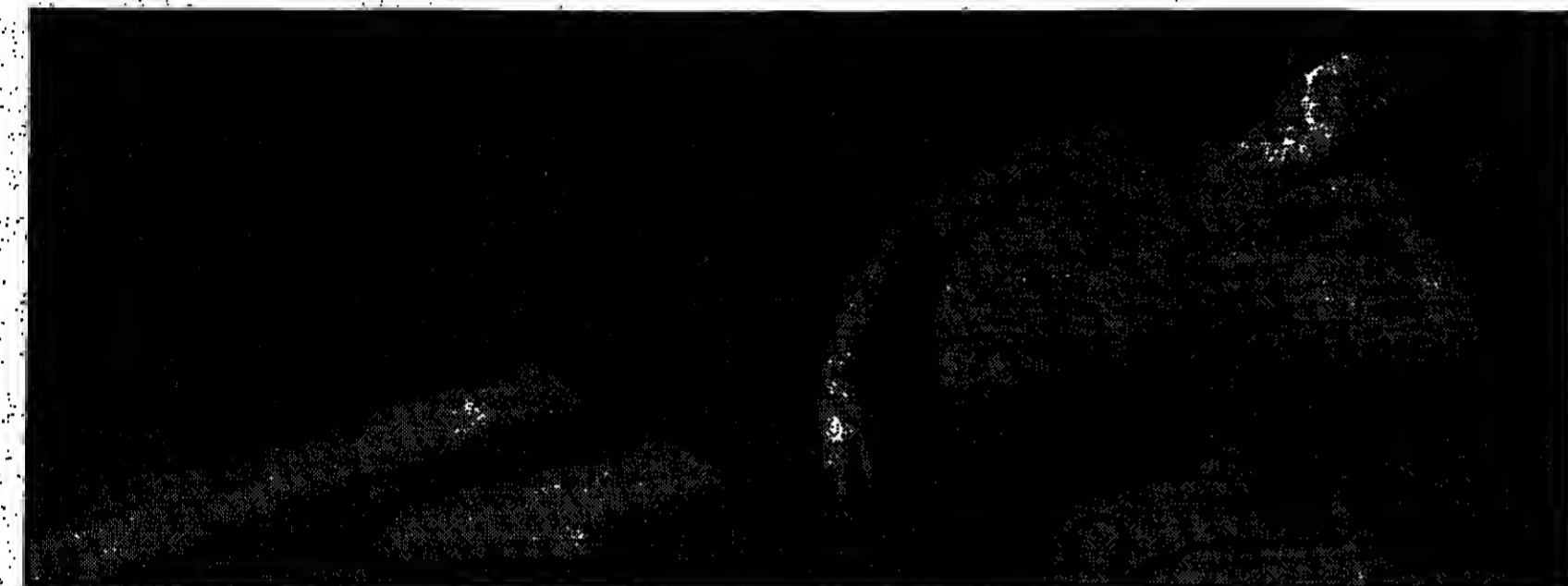


Richard Cooke rightly describes the pace as "frantic." The musical demands are also intense—and increasing, as standards rise.

Amateur choirs have a sound tradition in Britain, perhaps deriving from the 1784 Messiah which gathered nearly 300 singers and an orchestra of 250 in Westminster Abbey.

What they all share is a membership of passionate commitment. Choral singing is, it seems, an addiction.

Marilyn Bentley



Detail from Artemisia Gentileschi's "The Death of Cleopatra," one of the works in Matthieson's Baroque III exhibition

Radio Health of the nation

invigorate the degenerate European countries (and would have included the Eastern European nations if Stalin had not prevented it).

As next week's final programme in the series shows, Marshall Aid was not the only intention at the time of the Korean War in 1950, when aid was shifted to military considerations.

The history and nature of Marshall Aid are being studied in three programmes, also on Radio 3, called A Spark to Fire the Engine.

B. A. Young

Lieder laureate

THE EAST German baritone Otfar Baer first claimed attention in London in 1983, when he won first prize in the Walther Gruener Lieder Competition held every two years as part of the City of London Festival.

Baer is still only 29, yet he emanates such maturity and authority on the platform that it is hard to imagine how he can possibly develop over the next ten years.

adding too much stress to a word or syllable. Perhaps that restraint was sometimes too pervasive. In slower songs rhythmic details were sometimes ironed out for the sake of smoothness, and contours were not always picked out as they could have been.

But these are absolutely minute qualifications about a Lieder singer of quite outstanding distinction. In another hall, where less detail is swallowed in resonance, every element of his account might well seem totally right.

Records

Symphonic beginnings

Chalkovsky: Symphony No. 1. Oslo Philharmonic / Mariss Jansons. Chandos CHAN 9402 (CD, LP and cassette).

Chalkovsky: Symphony No. 3. Oslo Philharmonic / Mariss Jansons. Chandos CHAN 9403 (CD, LP and cassette).

Skryabin: Symphony No. 1. Stefania Toczyńska, Michael Myers, Westminster Choral Philharmonic. Orchestra Riccardo Muti. EMI CDC 7473492 (CD, LP and cassette).

Elgar: Symphony No. 1. Royal Philharmonic/André Previn. Philips 416 612 (CD, LP and cassette).

Lutoslawski: Symphony No. 2. Les Espaces du son. John Shirley-Quirk. Los Angeles Philharmonic / Esa-Pekka Salonen. CBS ISM 42203 (LP and cassette).

The consistency of the cycle of Tchaikovsky symphonies from the Oslo Philharmonic under its principal conductor has been an unexpected pleasure.

His stance is a long way from the traditional, overly sentimental treatment of Chalkovsky; there is no excessive moulding of phrasing, nor audible acceleration or extremes of dynamic.

FRENCH theatre companies and state-subsidised art galleries are now beginning to feel the pinch of cutbacks in state aid for the arts.

Spending on the arts was substantially increased under the previous Socialist administration—as a result of the policy priorities of President Mitterrand and his energetic Minister for Culture, Mr Jack Lang.

State-backed theatres have been among the first to be forced to trim back their programmes for next year.

rhetoric comes a strong structural grasp, important in both these symphonies, but especially in the Third, where the finale needs the most careful handling if it is not to become hopelessly inflated.

There seems no doubt too that the new First Symphony of Elgar presages another cycle. Previn's Elgar has developed steadily over the years, but even so the general excellence of this account still comes as something of a surprise.

The control which Haitink exerts on the outer movements, to give both climaxes of magnificent power and sureness, escapes the new recording, though Previn charts their convolutions with great skill.

de Bruxelles. The cuts of 287,000 for the coming season will mean the withdrawal of planned joint productions of other operas.

Louisebourg at the FRAC in Aquitaine says this will curtail the purchasing of new works of art, an area which "flourished" in the past three years thanks to the former minister's generous subsidies.

As for President Mitterrand's programme of major monuments to be built in Paris, less has been abandoned than was generally expected.

tricky piece to bring off in performance. Muti, who has shown a fondness for tackling the dinosaur repertoire, is in his element, steering a fastidious course between indulgent exaggeration and inexpressiveness in his use of rubato, and keeping the sound buoyant even when total inundation threatens.

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Salonen's account with the Los Angeles Philharmonic underlines how cunningly Lutoslawski has brought his music within the ambit of the traditional repertoire, and how he manages to give the opportunity for virtuosic display of a thoroughly traditional kind.

Culture shock

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Lutoslawski's Third Symphony has taken just three years to reach record. Among contemporary orchestral works I would guess that it has had more performances than any score by a comparable composer, since Solti gave the premiere in Chicago.

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Andrew Clements

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Art Galleries

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The 1,888,750 rights not taken up by existing shareholders were sold publicly on the Brussels and Antwerp Stock Exchanges on Monday 16th June 1986 and on the Luxembourg Stock Exchange on Tuesday 17th June 1986 at a price of Bfr 15 each.

Gross proceeds from these sales BFr28,301,250. Expenses: brokerage, additional duties, taxes on Stock Market transactions, payment commissions and other charges BFr7,075,313.

Net amount due to shareholders who did not take up their subscription rights between 22nd May and 5th June 1986 BFr21,225,937 or BFr11.25 per each Coupon No. 18.

These coupons will be payable on and after 16th July 1986 at: In Belgium: Générale de Banque Banque Belgo-Zairoise (Belgoisale). In the United States: European American Bank New York. In France: Générale de Banque Belge (France). In Great Britain: Société Générale Banque Belge Ltd, London. In Luxembourg: Banque Générale du Luxembourg. In the Federal Republic of Germany: Belgische Bank, Cologne. In Switzerland: Swiss Bank Corporation Union Bank of Switzerland.

WEEKEND FT

SPORT

Richard Evans reports on the battle to save Edinburgh's Commonwealth Games

Scotch on the rocks

IT IS ironic that just as the financial clouds hovering over the Commonwealth Games seem to be dispersing...

Olympics. As one of the few visible symbols of the Commonwealth, they mean a great deal to its Third World members.

sponsors, but progress was painfully slow and in September 1984 the CG Consortium was invited to try to pep up the sponsorship campaign.

So far around £5.5m has been raised from sponsorship, with Guinness following its takeover of Distillers, carrying the baton as lead sponsor.

Coca Cola, Royal Bank of Scotland, Nikon and Uniroyal. But even with these successes, it seemed less than a month ago that there would be a shortfall of at least £1.5m in the Games accounts.

Coopers & Lybrand. It painted an even bleaker picture than expected, and estimated there would be a prospective deficit of £4.5m unless action was taken fast.

The big difference between Edinburgh and the 1984 Olympics in Los Angeles which set the commercial pace with a \$250m profit, has been the television rights.

tract with ESPN, the largest US sports cable network which will pipe one hour of Games coverage every day to 30m American homes.

THERE ARE two records that stand to be beaten in this year's Tour de France, which is now heading down the Atlantic coast towards the gruelling climbs of the Pyrenees.

The first is whether Bernard Hinault, the legendary French cyclist, can pull off his sixth victory in the race—a performance so far never achieved in the 78-year history of the Tour.

It will not be until the Pyrenees that the riders will shake out and the real duel between Hinault and Laurent Fignon—the other major French champion of recent years—will begin in earnest.

Outside Europe the bulk of the growth has come from the US, where cycling is making strides as a sporting event.

Goode are the days when the Tour was simply a French family affair. Greg Lemond, the US champion, has since 1982 backed up Bernard Hinault in the La Vie Claire team, hought by Bernard Tapie for what at the time seemed a fabulous salary of \$1m over three years.

There are teams from the US, Canada, Colombia, Brazil, Chile and Japan. Coca-Cola has taken over from Perrier as the official drink of the event.

International development of the race.

Along with growing international participation have come international TV crews from around the world. This year some 500 to 600 journalists are tracking the tour through the

23 stages that will bring it back to Paris on July 27—a number that is inflated to 1,200 if camera crews are included.

with onward satellite transmission. CBS of the US, faced with the problem of interesting a US audience in a French event, presents the race as a daily panorama of action shots, interviews, commentaries and film clips from past races.

The caravan that moves with the race is like an army on the march. At Evreux in Normandy where the fifth stage began this week, the municipality had set up a vast bivouac in the town's main square.

In the villages between Evreux and Villers the crowds were thick—with families setting up tables beside the road to transform this event into a day-long picnic.

encourage their riders to make a breakthrough during a day's event that will earn them a place in the headlines.

For the winner there is officially a prize this year of FF 650,000—made up of cash, a flat by the sea offered by a property company, and jewels.

Sponsorship has also changed the nature of the race and the way it unfolds each day. A growing number of companies offer prizes for different laps on the Tour or for sprints and other tests that lace each day's competition.

TV companies now see the Tour as a Dallas-style daily TV serial that fills the month of July with its record of drama, anguish, stardom...

of the race over three years—first of all snatching Hinault from Renault and then bringing Greg Lemond from the US. Tapie has been prepared to spend more on his riders, developing a "star" system and then promoting his team and products on a world-wide basis.

Sponsorship has also changed the nature of the race and the way it unfolds each day. A growing number of companies offer prizes for different laps on the Tour or for sprints and other tests that lace each day's competition.

Cricket

Graham Gooch has already had six different partners. Equally remarkable, England have picked 14 seam bowlers over a similar period, not one of whom has been able to establish himself as a regular.

As to the future, the selectors have appointed Mike Gatting to lead England in the coming series against New Zealand, and he will almost certainly retain command for the tour of Australia, which is looming as his last test.

F.T. CROSSWORD PUZZLE No. 6,071

Crossword puzzle grid with clues for Across and Down.

Prizes of £10 each for the first five correct solutions opened. Solutions to be received by next Thursday, marked Crossword on the envelope, to The Financial Times, 10 Cannon Street, London EC4A 3DF. Solutions next Saturday.

- ACROSS 1 Embarrassed about a mishap... 5 A great many put heart into some craft... 9 A girl turns in before they can investigate... 11 Poles at church scrap... 12 Challenge for a wide variety of modern requirements... 13 Much-ornamented gold hatching, doubly firm... 14 He tries a graduate—it's great but wrong... 15 "Love is too young to know what it's all about" (Shakespeare)... 22 A flier takes part, showing delicacy... 23 Reveal it affected one of the family... 24 The music man's slow... 25 A quarter not going straight are making a pile... 26 Getting medical treatment is wise following a party... 27 No centre for fabric manufacture... 19 Many a Northerner exhibits chary... 20 The artist will mount one in a giant frame... 21 Spare silver put into a pool... SOLUTION TO PUZZLE No. 6,970

- DOWN 1 He'll lecture about a German article... 2 A social worker (female) making a bit of a bloomer... 3 Fancy there's some point in talk... 4 Got out aid and created work... 6 Studies involving group associates... 7 Sensible renegade left boding an island... 8 A glass vessel fitted with sails... 13 This country is plainly not a tax-haven... 14 Personal letters... 17 Writing to make a song about the... SOLUTION AND WINNERS OF PUZZLE No. 6,065

Mrs P. Cooper, Wokingham, Berkshire; Mr G. Simpson, Spalding; Mrs P. P. Sirrett, Chestnut; Mrs N. Kenyon, New York 118A; Medh McGuckian, American private eye stories; American Swift, the protagonist; Gloria Hunniford, "We Love TV," ITV 7 pm

SATURDAY

Indicates programme in black and white. 8.30 am The Saturday Picture Show. 10.45 Grandstand featuring 12.50 pm News. 1.30 pm News. 2.30 pm News. 3.30 pm News. 4.30 pm News. 5.30 pm News. 6.30 pm News. 7.30 pm News. 8.30 pm News. 9.30 pm News. 10.30 pm News. 11.30 pm News.

SUNDAY

Indicates programme in black and white. 8.30 am Play School. 9.15 Knock Knock. 9.30 The Day. 10.00 Aston Magna. 10.30 The Great Escape. The Story of the British. 11.00 News. 11.30 News. 12.00 News. 12.30 News. 1.00 News. 1.30 News. 2.00 News. 2.30 News. 3.00 News. 3.30 News. 4.00 News. 4.30 News. 5.00 News. 5.30 News. 6.00 News. 6.30 News. 7.00 News. 7.30 News. 8.00 News. 8.30 News. 9.00 News. 9.30 News. 10.00 News. 10.30 News. 11.00 News. 11.30 News. 12.00 News. 12.30 News.

TELEVISION AND RADIO

GRANADA 8.30 am Different Strokes. 11.50 Jazz Special. 12.50 pm News. 1.30 pm News. 2.30 pm News. 3.30 pm News. 4.30 pm News. 5.30 pm News. 6.30 pm News. 7.30 pm News. 8.30 pm News. 9.30 pm News. 10.30 pm News. 11.30 pm News. 12.30 pm News.

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Solution to Chess No. 628 1-P-Q88-R, Kc7; 2-P-K88-R. Zara Steiner